



Daily Report

Latin America

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**Reportage on Central American Presidents
Summit**

Guatemalan President Arrives

*PA0912183092 Panama City Radio and Television
Network in Spanish 1453 GMT 9 Dec 92*

[Interview with Guatemalan President Jorge Serrano Elias by unidentified local reporters at Tocumen Airport in Panama City—live]

[Text] [Serrano] Dear journalists: Upon setting foot on Panamanian territory, I would like to take advantage of this opportunity to express my warm appreciation for the Panamanian people and tell them I feel proud, happy, and very satisfied to see that we Central American presidents are taking such an important step in coming to Panama to propose a rapprochement between our peoples and governments. As we have so often said, we want a united Central America that is capable of confronting the challenges facing us in light of the creation of the great commercial blocs and the challenges we have in [words indistinct]. That is why we are attending this meeting with President Endara and the Panamanian Government and people.

[Reporter] [Question indistinct].

[Serrano] There definitely are possibilities for peace in Guatemala, and we will have peace shortly.

The rebels have been using the peace process as a forum for more discussions, but not with the real purpose of attaining peace.

If the guerrillas really want to show the world they want peace in Guatemala, they should first accept the human rights agreement that the government has already accepted and is willing to sign immediately. They have started coming up with a number of excuses regarding verification, which the government already accepted long ago. However, we believe that an agreement must be verified when all the agreements have been signed. An agreement cannot be verified in the middle of a conflict.

Second, the guerrillas should accept the overall plan presented by the executive branch to discuss everything that is still pending as one single topic.

The guerrillas should also accept my government's proposal to ask the United Nations to begin immediately drafting the document that may allow us to establish the bases for the demobilization of the [word indistinct] and the international verification of the conflict.

We would also be very pleased if the rebels would accept the proposal presented by my administration to hold a continuous series of uninterrupted talks every other week until we reach a definitive peace agreement.

We can say now that all the balls are in the rebels' court, and we hope that they will return them with a patriotic spirit so we can continue negotiating.

[Reporter] [Question indistinct]?

[Serrano] [Words indistinct] basically, they have wanted to use the dialogue and the negotiation as an instrument of war. They have wanted to prolong the conflict through negotiation instead of seeking a clear and categorical solution.

[Reporter] [Question indistinct]?

[Serrano] They cannot say that because we have [word indistinct] to sign the human rights agreement, have accepted the overall plan, have proposed to have the verification by the United Nations, to have the United Nations draft the document. We have done our part, and we want positive attitudes. They can say whatever they want, but their attitude has not been positive.

Salvadoran President Arrives

*PA0912215392 Panama City Radio and Television
Networks in Spanish 1617 GMT 9 Dec 92*

[News conference by Salvadoran President Alfredo Cristiani with an unidentified moderator and reporters on his arrival at Tocumen International Airport in Panama City to attend the 13th Central American Presidential Summit—live]

[Text] [Moderator] Are there any questions for the president of the Republic of El Salvador?

[Reporter] [words indistinct]

[Cristiani] Not at all, this is not an isolated effort. We believe that the Central American Federation is a long-term goal but, definitely, the final goal is regional integration. What has been set out, until now, is that within the communities this should be discussed to see if the people want political integration. A decision has not been made. This is to be put up for debate in each community.

[Reporter] [words indistinct] are the expectations?

[Cristiani] We want to say that we are pleased that Panama has granted special attention to the agricultural issue. Central America is primarily an agricultural region and its development, in the short and medium term, will continue to be based on the agricultural economies of our nations. Integration in this regard is particularly aimed at achieving a secure food supply for the Central American people. This is something very important and we believe that now in this area the mechanisms should be established to pave the way for integration and the strengthening of the regional agricultural sector.

[Reporter] Mr. President, what are these mechanisms [words indistinct] on what should be [words indistinct] but now that the idea is [words indistinct].

[Cristiani] Several efforts can be made. We can start off with free transit of agricultural products through the Central American region. We can try to implement customs tariffs parallel to those in force in the rest of the

world, particularly in the defense of our export products. You are all well aware of the significant problem the banana issue has caused Central America with the EEC and the problems caused by low coffee prices in the recent past. The main goal is to look to strengthen the Central American agricultural sector to develop better technology for export production. This can be achieved by offering the necessary mechanisms, which must be linked up between our nations so that they all can enjoy equal conditions.

[Reporter] [words indistinct] peace agreement?

[Cristiani] We have been working very hard, preparing ourselves for the end of the armed confrontation phase. This phase will conclude on 15 December. We believe that up until now the process has progressed in an exemplary fashion. There has not been one violation of the cease of the armed confrontation in the 10-month process. We believe the peace process will conclude positively. It will obviously produce internal stability, as well as stability in our Central American brotherly nations.

Costa Rican President Arrives, Comments

PA0912195292 Panama City Radio and Television Network in Spanish 1510 GMT 9 Dec 92

[Speech by Costa Rican President Rafael Angel Calderon Fournier upon arriving at the Tocumen International Airport in Panama City—live]

[Text] His Excellency the President of the sister and neighboring Republic of Panama, Her Excellency Mrs. Endara, Panamanian people:

I am delighted and happy to visit this sister republic again and to see Panama as Panamanians have always wanted it to be: a free and democratic country where citizens can fully exercise their rights and where the Panamanian people's human rights are fully respected.

It is a matter of great satisfaction for me, the Costa Rican first lady, and for Costa Ricans to be here today, as we are here to attend the first presidential summit held in Panama. This is very significant. I have always seen Panama as a Central American nation. We expressed this view as foreign minister 12 years ago when we said we could no longer say Central America and Panama, as we are all part of Central America. Thanks to the will of the Panamanian president and his administration, today Panama has fully joined the forum of Central American republics.

We are here to participate in a summit focussed on an aspect that is fundamental for our people: the agricultural sector. Our countries are primarily agricultural. We have extraordinary wealth in our land, particularly in our human resources: our peasants who work the land day after day to produce food and give us the necessary foreign exchange for our development.

Today, we live in a different world where we all talk about the globalization of the economy joining international markets. It is also a world where all nations are trying to join our markets. This is where we must move toward an opening, but at the same time protect our agricultural sector from the excessive subsidies of industrial countries. That, in my opinion, is the main topic of this summit. It is the key issue. Once again we will strengthen the ties of solidarity and union to face the foreign world in the commercial field. We will also reach agreements on ways to protect Central American farmers.

Thank you, Mr. President, for your warm welcome to all Costa Ricans. We are happy to be here in Panama, and we are sure this summit will be another success for this great union, which will enable us to demand world respect for the rights of Central Americans.

Endara Opens Summit

PA1012010192 Panama City Radio and Television Networks in Spanish 2013 GMT 9 Dec 92

[Speech by Panamanian President Guillermo Endara Galimany during the opening of the 13th Central American Presidential Summit at the Atlapa Convention Center in Panama City—live]

[Text] Your Excellency Violeta Barrios de Chamorro, president of Nicaragua; Your Excellency Rafael Angel Calderon Fournier, President of Costa Rica, and Mrs. Calderon; Your Excellency Alfredo Cristiani, president of El Salvador; Your Excellency Jorge Serrano Elias, president of Guatemala; Your Excellency Rafael Leonardo Callejas, president of Honduras; Your Excellency George Price, prime minister of Belize; Your Excellency Carlos Morales Troncoso, vice president of the Dominican Republic; Your Excellencies Messrs. Foreign Ministers of the Central American Isthmus; your excellencies secretaries general and general directors of international organizations, your excellencies, ladies, and gentlemen:

Panama takes pride, Messrs. Presidents, in giving you the most cordial and warmest welcome to our country. The people and government of Panama feel honored to have you here and your distinguished delegations as guests during the days of work to come. For the first time in the history of our country, the presidents of the area, all of whom were freely elected by the people, are gathered here. We welcome you not just as colleagues and friends but also as the legitimate representatives of the brother peoples of Central America.

This summit, as all the ones that have come before, has a unique significance and its own importance. It is not meant to carry out a mere formality. On the contrary, the challenges we are facing and the urgent needs of our peoples impose on us the responsibility to take advantage of these moments of joint reflection. Building on the situation that exists in our region, we must find specific and practical formulas to improve the living standard of our fellow citizens. I feel a frank dialogue, clear

exchange, honest opinions, and practical contributions constitute the best sign of loyalty and respect my government can give this Central American effort. For that reason, allow me to share with you our view of the importance of this meeting in its content as well as in its context, and in the face of our own domestic situation. As a part of the itinerary of the many presidential summits of our time, the 13th summit is registered as the completion of several processes that began and were maintained by the leadership of the Central American presidents of yesterday and today. The work achieved, facing such serious topics and such strong pressures, deserves our total recognition. That May of 1986, when five Central American presidents agreed to meet without foreign witnesses or protectors in the little town of Esquipulas, seems so near and yet so far. They were trying to overcome together the grave crisis that had the area's countries on the verge of regional warfare. Their chief objective was to achieve peace. They decided to formalize the presidential meetings, recognizing the existence of major differences. And so, 15 months later, despite the skepticism of many, the Procedure to Establish a Firm and Lasting Peace in Central America was signed, and thus was taken a qualitative leap in relations in the region. Progress continued to be made on the difficult political and military agendas of the Alajuela, Costa del Sol, Tela, and San Isidro de Coronado summits. Then came the seventh summit, held in Montelimar, where the presidents acquired the commitment to discuss urgent economic topics. At the Antigua summit, the first one I was honored to attend as an observer, a new cycle began of giving preferential attention to economic and social development topics.

This cycle has prompted us to make many decisions at the summits in Puntarenas, San Salvador, Tegucigalpa, and Managua. This fruitful series has produced noticeable results for the region. Panama on this day is the site of another summit that will present an important set of proposals calling for very concrete decisions and actions. In all fairness, I must take a moment to point out and recognize the enormous efforts made by the various forums of vice presidents, ministers, and deputy ministers to put the final touches on the presidential guidelines and mandates.

Amid difficult and precarious conditions in the region, but with the help of technical teams, they managed to mold strategic guidelines into policies, agreements, and specific and practical plans. The ministers of education, health, labor, energy, transportation, government, environment, and natural resources contributed to this task. The ministers of agriculture, economy, treasury and planning, and central bank presidents were also involved in their respective forums and as a team. They established an important forum to discuss ways to tackle together the challenges of economic development. The forum of economic cabinets and the forum of foreign ministers represent the double platform of relationships and coordination that characterizes regional and international work.

I must also recognize the valuable contribution and services rendered by regional and international organizations and the timely support of various private groups. All of them have made additional and positive contributions to these regional efforts.

The 13th summit is also important because of the prevailing international situation that poses great challenges and uncertainties. In a few years and with incredible speed, we have experienced a number of world transformations that are truly important. We are involved in the largest and fastest process of international relations reorganization ever experienced during peace time in the 20th Century. There are, however, contradictory signs that worry our region. The future is uncertain.

On the one hand, economic programs calling for an opening up to the outside and for practical free trade formulas are being promoted internationally. They include the progressive elimination of subsidies and protective measures. At the same time, however, we notice signs of new protectionist battles on the part of major world powers. We are promoting, through major internal sacrifices, structural adjustments to stabilize our economies. This effort, however, does not seem to be met by promised international reciprocity.

To complete the international outlook, we notice that on the American Continent there are simultaneous efforts to establish free trade zones. They have diverse geographical characteristics and possibilities that affect our region. The clear imbalances that exist among our economies, which are factors to take into account in our relationships with others, oblige us to make a careful analysis together in order to make the best decisions.

This summit is a good opportunity to examine the entire international situation as it surrounds and imposes conditions on us. I said when I started that open talks and a clear exchange of information would set the trend for our participation in this meeting. Allow me to be consistent with this willingness and to state in advance a few domestic considerations.

My country is particularly interested in the Central American integration process because of to our geographic proximity, our many and close knit relations, and the repeated and valuable demonstrations of support and solidarity shown to us by all the countries in the region. From the moment it received the valuable invitation to join the area in this endeavor, Panama has observed Central America's integration efforts with great interest.

We have closely examined the way our Central American brothers have planned the reactivation of their economies and restructured their regional development. To this effect, my government established a joint commission right after the Antigua summit. The commission included government economic officials and an ample representation from private sector business associations.

The commission was entrusted with the task of thoroughly studying all aspects of our possible participation in the Central American integration process. The commission's representatives carried out technical studies and even visited the five Central American countries to meet with government authorities and the representatives of productive sectors and private business guilds in each country. They also talked with officials of regional and international organizations in the area.

After many consultations, the commission issued a preliminary report. It recommended that Panama stop being an observer and start to participate fully—although with its own characteristics—in the search for mechanisms that would favor integration and enable us to enter the international economy more effectively. It also recommended that the matter continue to be discussed and studied here to ensure that our participation includes the necessary complements and is phased in gradually as a means of respecting the evident differences in our economies.

In agreement with those recommendations, which coincided with other recommendations and preliminary studies, my government requested at the San Salvador summit that our observer status be changed. You, the Central American presidents, accepted us in the regional integration process within a gradual and complementary framework.

I do not doubt that most of our Central American brothers, and many international observers, viewed our step in San Salvador as a perfectly legitimate one, given the current regional and world situation.

For a majority of Panamanians, however, the whole issue of Central American integration is quite new. It is very recent and tends to create many doubts and fears. First, we have only just begun to handle the great amount of public information about realities and opportunities. Many questions rise from lack of knowledge. Unlike the Central American countries, we do not have any recent experience in economic integration. Since our independence, we have lived all our republican life without joining any regional integration process. Second, we have seen the difficulties that the various integration efforts have been through and continue to experience, both on and off the American Continent. This leads some to highlight our economic differences and to ponder the possible obstacles instead of the opportunities and benefits.

Consequently, within this perspective of regional integration, which is so very new to us, it is natural for reasonable doubts to arise among different groups, who may feel their personal interests are being threatened. I wish to reaffirm, here and now, the determined interest and clear will of Panama to participate in this process. I do so by defining how we understand it and interpret it.

To us, this process means the opening of new horizons of development and common well-being. It is creative, while respectful, in its negotiations and its search for

agreement, both of which are in full progress. It is the joining of the individual characteristics of each member to raise the quality of life of all our peoples. Panama understands that it is invited to build the future, not to amend and adapt the past; it is invited to participate in an ongoing effort in full development, not in an already finished product; it is invited to join in a regional effort, by way of progressive economic agreements, collaboration, and supplemental programs; it is invited to find new institutions that will support internal development, strengthen democracy, and balance international relations. This is why we took the necessary steps to allow our formal incorporation into the Secretariat of Central American Economic Integration and actively participated in the preparatory commission working on the Central American integration system.

Panama understands that it is invited to participate in a gradual but active process that includes several phases in which it will participate according to its capability, while adequately caring for the interests of the various participating private economic groups. We support such private participation, as it is in fact these groups that will make integration a concrete and functional reality. Our country's commitment is to make integration possible, as defined in Antigua: A means for development, not an end in itself; a way to improve our people's quality of life; a project by all, for all to profit.

The type of integration we are seeking here is more transcendental and ambitious than just a free trade zone. It must not be confused with a common market or a simple organization by which to improve exports, either. These things, although important, do not mark the integration horizon we are seeking. It is not an issue of regional interests, because regionalism can be divisive and harmful. We are seeking an integration that is practical, possible, realistic, pragmatic, productive for all, one that will allow qualitative changes for our people and better opportunities for third parties.

In the search for additional and productive means of integration, we can point out the area of transportation and electricity, which would allow us to grow stronger internally while simultaneously offering attractive advantages for (serving) markets outside the region.

How can we conceive this, how can we think about it, how can we discuss it, how can we agree on it, and how can we implement it? How can we provide sensible guidance for the benefit of all? How can we make it dynamic and how can we diversify it so that the various internal and regional interests will be taken into consideration? How can we put it in motion so that it will multiply the contributions of each country while still allowing us to cope successfully with various external dynamics? That is precisely the challenge that Panama has joined with great enthusiasm.

I have devoted part of my speech to the subject of Panama's participation in the new Central American

integration, because it is of great interest to several groups in my country. It is promising yet it raises concerns.

I have brought up this subject, perhaps abusing your kindness, Messrs. presidents, but always loyal to my commitment to hold frank and sincere dialogues, because it is important for our national discussions. I would like to share some thoughts about us and the main factors that affect us in confronting the challenge to develop our countries and to achieve in democracy that general well-being. I am speaking about our people, our natural resources, and our geographic position. They constitute our best and greatest capital for attaining the internal development of our societies and for confronting other nations.

Our true strength lies in the unity of these three elements, which complement each other. This being true, any measure that is adopted to take advantage of these elements cannot continue to be treated in an unrelated or incidental manner. It cannot continue to be the exclusive concern of the authorities. On the contrary, it is necessary to initiate an effort, both technical and political, that will relate these three elements in a creative manner. It is true that we need a [words indistinct] effort, internally coordinated in each country. Nonetheless, we must go beyond that. It is necessary to have an overall vision of the three elements, which will also strengthen and increase the possibilities of the group as a region as regards the other countries.

That is why we have insisted that this summit will join our efforts as a group so that we will surpass partial phases and achieve a new project for the region, with its own characteristics.

First of all, we must consider our people and their social problems. Our people's well-being, improvement, education, and training must receive decisive priority attention. We cannot ignore the deep regional crisis that stemmed from mistaken policies and decisions that we did not make but whose consequences we have all inherited. In most of our countries, per capita social expenditures were reduced in the 1980's. Despite the efforts undertaken, the situation among the people shows significant deficiencies and needs. In part, we were able to propose solutions in the Tegucigalpa Commitment, but we must do more with realism and pragmatism. We must revert the course of a process involving the dangerous deterioration of the capacity of our institutions. Such a process threatens our democratic recovery.

The direct results of well-known economic problems, recent political conflicts, social needs, and the unequal distribution of wealth do not help bridge the gap between rich and poor in the region. More than half of Central Americans cannot buy the basic family basket. Unemployment has severely increased. For example, in Panama, although we have been able to halt its increase, unemployment is still at unacceptable levels.

The people's expectations have grown with the recent electoral processes and the signs of economic recovery. Nevertheless, we are experiencing an increasing contradiction. The improvement of the people's situation has not kept pace with democratic achievements. Political times must coincide with the times of economic recovery for the entire population. The adjustments in the economic structure must be accompanied by changes in the political and juridical structures to give a new overall coherence to the entire effort. As a result, it is demanded that we current government leaders rapidly solve the problems that have accumulated for many years. What is worse, international support is tending to decrease.

Central Americans ask themselves why they should suffer the problems and consequences of a debt that was not invested adequately and whose benefits they have not seen. They ask why they should endure the consequences of mistaken economic decisions they did not make because the political system at the time did not permit them to participate in the decision making process. They ask why those who promised to help us the most are helping us the least now that peace has been achieved. They ask why the international financial organizations have been so demanding, despite our stifling poverty, and why they do not speed up the processing of our requests, giving them the priority they deserve.

Cooperation should not be linked to the anguish of conflicts and tragedies. The achievements of peace and democracy must be equally attractive, important, and urgent. There must be awareness that these are decisive times. The nascent democracies are at risk if they do not make decisive domestic decisions with regard to their political, economic, and legal systems and if they do not receive opportune foreign aid from the international community.

The main resource for the recovery of our countries lies in the attention we give to human development. While economic adjustments are made, political adjustments should also be made that will allow greater community participation and the redefinition of social costs in a manner that is coherent within the economic policies.

Our region is one of the most biologically diverse on the planet. Our variety of species in such a small territory surpasses that of much larger regions. Our plant species are serving to reforest other areas of the planet Earth to produce new and better varieties and to generate new medications. We have a true treasure that has not been explored. In addition, we have proven our productive capacities; we have the potential to provide all that we need and to export to other markets, if we receive just and reciprocal treatment. We are able to compete, and therefore, on this occasion, we have given priority in our agenda to the agriculture issue, which undeniably has central importance.

As a region, we have a great potential for launching agriculture projects and our joint productive capabilities will be the subject of our most serious consideration.

Following their meeting, the agriculture ministers presented clear proposals to that effect. Along with our people and our natural resources, we have our geographic location and the potential to be a center of relations with the entire world. In the fields of commerce, investment, natural resources, and as a tourist crossroads—just to mention a few—we can take advantage of this location, our nearness to various markets, and of our position as a point of transit.

With that outlook in mind, we should cultivate and strengthen our ties with the Caribbean area. Individually we are small, vulnerable countries. Together we are over 20 countries with many and various characteristics. United we become a unique region and an international group of great importance.

Colleagues, presidents of the Central American countries: Never before in the history of our region has there been so much coincidence in the form and context of our governments. Never before have we been in a condition to attain regional agreements so deep, profound, and important and to promote qualitative transformations on our isthmus. I have no doubt that we will take advantage of the historical opportunity we have.

For Panama and its people, this Central American presidential meeting is very important in the face of our internal process of recovering and strengthening our democracy. It is also important for our efforts for economic and social development, and for regional and international understanding. We value this summit in the face of the complexity of our recent past and the struggle of the Panamanian people to recover their own dignity and peaceful coexistence. Even though for many years we suffered in spirit the conflicts and sufferings of our neighbors as something very sorrowful yet distant, today we are joined in a common struggle to leave behind undesirable authoritarianism.

We are engaged in attaining common goals that will allow the opening of opportunities for all our peoples. This meeting offers Panamanians an exceptional opportunity to contemplate as a broader horizon our own internal process, our own future, and our decisions in a world that is increasingly interdependent.

In conclusion, as worthy representatives of your fellow countrymen allow me to send through you to all Central American brethren our warmest greetings and friendship from the Panamanian people. Thank you. [applause]

Guatemalan President Addresses Reporters

PA1112043992 Panama City Radio Soberana Civilista
in Spanish 1817 GMT 10 Dec 92

[News conference by Guatemalan President Jorge Serrano Elias at the Atlapa Convention Center in Panama City, with an unidentified moderator and foreign and domestic reporters—live]

[Excerpts] [Passage omitted] [Camarena] Good afternoon, Mr. President. I am Carlos Camarena of Radio Libre. Mr. President, if my memory is correct Indian leader Rigoberta Menchu will receive the Nobel Peace Prize in Sweden on 10 December. Considering this event and the fact your government was elected by the people, how is it possible there is a systematic violation of human rights in Guatemala? A REUTERS cable sent from Guatemala on 10 December reported that a group of peasants had been killed. How is it possible such actions continue to occur in Guatemala?

[Serrano] Excuse me, Sir, I want to reject the charges there is a systematic violation of human rights in Guatemala. There has been a defamatory campaign against Guatemala. I can tell you there has not been one violation of human rights, which has been reported to the government, that has not been taken to our courts of justice. Those criminal cases have been taken to our courts of justice. Impunity is no longer a government policy in Guatemala.

The most serious human rights organizations have admitted this fact. There are, however, several international organizations that live off human rights issues and have made human rights their bread and butter. The representatives of those organizations travel to foreign countries and stay in good hotels. They attain status by making systematic human rights charges to the media and at international forums.

We demand the names of the people involved in human rights cases. A case is no longer a violation of human rights if it is taken to a court of justice or the men and women involved in such actions have been charged for their abuses. It becomes a criminal case once this happens.

I can guarantee we do not have a human rights violation policy in my country and that, contrary to this, there is a policy to combat impunity. I know nothing about the report you have mentioned. I have not seen it and do not know its contents. I can, however, tell you Guatemalans are sick and tired of seeing our country used to fill the pages of newspapers. The dignity of Guatemalans should be respected. Guatemala is not a nation that violates human rights. Its government does not violate human rights. We are reconstructing our country and promoting Guatemalan democracy.

[Moderator] Thank you, Mr. President. Gentleman [name indistinct] it is your turn.

[Ortega] I am Javier Ortega. Mr. President, in one of your statements you said that Panama should join Central America in the area of services. What is the bases of your opinion?

[Serrano] My response was to a question asked by one of your colleagues....

[Ortega, interrupting] Correct, to a colleague. However, we want to conduct a live interview with President Serrano. Mr. President, what is your opinion of the plan [words indistinct]?

[Serrano] I would like....[several unidentified persons speaking at the same time] Please, please.

[Unidentified speaker] At this moment a Panama City TVN Television Network reporter is interrupting President Serrano. He wants to conduct a live interview and the other reporters are protesting. President Serrano has said he will not give an exclusive interview to the TVN reporter.

[Serrano] My apologies. As you know, however, I did not cause the interruption. I do not understand the journalists' code of conduct in this manner. I believe we should respect each other. I am willing to respect all of you. [several unidentified people say: Thank you]

My opinion on Panama's case? There is a new theory of blocs in the world and we are currently facing a situation where the countries of the world are seeking programs to complement their economies. Such programs will increase their strength and allow them to compete more effectively in the international commercial sphere.

Central America has to find such complementary programs too and we are doing just that. I referred to Panama as an important services center because it has excellent commercial and maritime relations in the entire international area. I also mentioned the fact that Panama has developed as an international financial center.

Central America, undoubtedly, requires those services as no other country in the region has promoted them. Panama could benefit tremendously by supplying such services to the rest of Central America and the region would benefit from Panama's services to the Central American common market.

On the morning of 10 December, the Central American presidents discussed the integration of our financial systems to enhance the free movement of capital. Panama's presence will, obviously, give consistency to our plan and will further the Central American and Panamanian economies.

That is why we said that, although Panama's agricultural or industrial production is equal or different than other Central American countries, the advantages to be obtained by Panama's integration to the Central America region are very important. The services Panama can render give it a great advantage over the rest of the countries. Also, the rest of the countries are complemented by Panama as it will provide the services we require in those two basic areas. Those were my statements on the matter. [passage omitted]

[Unidentified Reporter] Rigoberta Menchu stated she wants to lead the government and the guerrillas to

negotiations. We would like to know if you think Rigoberta Menchu could be a valid interlocutor to this effect?

[Serrano] Look, as Guatemalans, we are sincerely satisfied with this honor being bestowed on her on 10 December. The Government of Guatemala has appointed Labor Minister Mario Solorzano and Juan Daniel Aleman, secretary of political affairs of the presidency of the Republic, to represent our government at the ceremony where Mrs. Menchu is being presented the award. With respect to her plans, we sent her a note on 9 December congratulating her on the award and requesting this new distinction that places her on a new level could be used for peace in all countries of the world. This means we believe that just as her influence and goodwill efforts could serve peace in any country of the world, they could also serve for Guatemala.

Now, I want to clarify that we have not withdrawn nor will we ever withdraw from the negotiating table with the Guatemalan rebels. The talks have not been interrupted or broken, but we are at an impasse at this time because there are very clear points on both sides. We hope the Guatemalan rebels will honor what they have signed, that is, basically what they signed in the Queretaro and Mexico agreements. If the Guatemalan rebels honor what they signed, we could sign the Human Rights Agreement and begin discussing the overall process to conclude this process immediately. On the other hand, the government of the Republic has proposed to the rebels that we sit down to hold an uninterrupted dialogue on alternate weeks until we conclude the agenda. The rebels have not accepted that government proposal. The government has also proposed to the rebels that the United Nations be entrusted with drafting a document to dismantle the fronts and provide for international verification of the implementation of the agreements. The rebels have not accepted that proposal of the government of the Republic.

That means practically everything rests with the rebels. We are simply waiting for them to continue with the process. On our part, we have said it and we ratify it—the government of the Republic is ready to sign tomorrow. We have no obstacles at all. On the contrary, the proposal presented in the field of human rights by the mediator Monsignor Quezada Toruno was accepted by the government four months ago, and we are waiting for the rebels to accept it.

We now discover the guerrillas are trying to use the negotiations as an additional instrument of war in the international political field. We have condemned this attitude because we are not considering the negotiations as a means of prolonging the war, but as a way of ending the conflict and attain peace, which is what the Guatemalan people want. [passage omitted]

[Castillero] I am Jose Luis Castillero, from NOTIMEX. Do you think the OAS could mediate in Guatemala to end the conflict?

[Serrano] The process of negotiations in Guatemala is regulated by the Oslo Agreement, which defines the participants. That agreement has not been changed. The agreement specifies that the participants are the government of the Republic, on one side, and the rebels represented by the URNG [Guatemalan National Revolutionary Unity], on the other side; the National Commission of Reconciliation with one mediator, who is Msgr. Quezada Toruno; and the United Nations as an observer. Those are the participants that are accepted in the Guatemalan peace process. So far, neither the URNG nor the government has any plans to bring into the process any new participants. [passage omitted]

Honduran President Gives News Conference

PA1112231392 Panama City Radio Network in Spanish
2035 GMT 10 Dec 92

[News conference by Honduran President Rafael Leonardo Callejas in Panama City with unidentified moderator and domestic and foreign reporters—live]

[Excerpts] [Unidentified moderator] (Sitler Cigaruiста) of Panama City Radio Exitosa.

[[Cigaruiста]] Mr. President, there have been previous attempts at an economic, political, and social unification of Central America. Several armed conflicts occurred, such as the Honduran-El Salvador soccer war, and today we could say that the armies continue to be an important element of the political and social structure. Do you believe the armies could, to some degree, become an obstacle to a peaceful and democratic unification? Several Central American armies have been accused of serious human right violations, not only by organizations within their countries, but also by international organizations such as Americas Watch, Amnesty International, and so on.

[Callejas] If one studies Central American development over the last decade, one can see that after the internal conflict in Nicaragua ended, the Salvadoran peace agreement was signed, and now the Guatemalan peace process is under way. There has been a radical change in each country's attitude and perspective and in how each views the relationship with their armed forces. The armed forces have been reduced both institutionally and in terms of budget. A new role for the armed forces is being discussed based on the best interests of each country. I have no doubts whatsoever that my country's Armed Forces—and probably those of the other countries, as we have heard and discussed with the other Central American presidents—understand the reality of this new world of democratic consensus.

As I view the next 100 years, to go against that consensus and fight democracy would have very negative consequences for the military organizations. Therefore, the Armed Forces in Honduras have become an element that strengthens and safeguards the democratic system. Much has been done in the area of human rights, and the truth is that as violence decreases, human rights violations

gradually decrease. That does not mean Central Americans, particularly Hondurans, are free of such situations, but the effort being made to manage the issue is enormous. Consequently, I believe that the Central America Armed Forces recognize and accept their subordination to civilian authority and are aware that their own survival depends on the establishment and survival of the democratic system in each of our nations. [passage omitted]

[Lopez] Freddy Lopez, president of Panorama International magazine. Returning to the issue of commercial relations with Mexico, the Mexican Government recently issued some protection provisions for sugar imports and high tariffs on the importation of cattle. There are some indications that Mexico will establish tariffs from 100 to 200 percent on rice and bean imports.

The Central American presidents have already voiced their concern over this matter, which indicates there is a reversal in the openness policy and markets are closing. That could represent a danger for Central American exports. In addition, it could result in advantages for Mexico in light of the signing of the North American Free Trade Agreement [NAFTA]. In other words, Central America could lose the benefits received through the Caribbean Basin Initiative and the general preferential system.

[Callejas] Personally, from the reports on the Caribbean Basin Initiative meeting and the televised speech by President-elect Clinton, as well as a telephone call I received from Vice President-elect Gore, I have received assurances that the United States will continue supporting the benefits acquired by Central America in the Caribbean Basin Initiative.

There is no doubt that Mexico's position affects Central America. That is why we have made direct contacts with President Salinas, who said the measures adopted by his administration are not aimed against trade with Central America. He explained that the measures were taken for other reasons. In the case of meat, countries such as Ireland take advantage of EC subsidies to enter the Mexican market under unequal conditions and with little competition. That is why we are specifically discussing that topic in our bilateral relations with Mexico. President Salinas, in a very nice way, has decided to find solutions so as not to send the wrong message to Central America, because he is the most important promoter of free trade among Central Americans. We therefore hope that Mexico will issue a resolution in this regard. Otherwise the opening process will be limited by protectionist resolutions that have very negative effects for countries like ours because our economy is based primarily on agriculture. [passage omitted]

[Villalobos] Javier Gabino Villalobos of Radio America of Honduras. I would like to ask you two important questions, and I would like for you to answer them as clearly as possible. President Endara said here that the

democracies in Central American are in serious danger because of social problems and poverty, contrary to what you just said.

The other thing is that apparently there is no political willingness by Central American presidents to fight narcotics trafficking given the use of Central American countries by international drug trafficking rings. It has been reported that Honduras and Guatemala are being used for drug trafficking, but there is no political willingness to increase budgets for fighting international drug trafficking.

[Callejas] There is a great deal of political willingness in our countries to fight drug trafficking. Our countries are using all their resources to face that problem. We have signed agreements to that effect and are in a process that will allow us to avoid a surge in drug trafficking.

Now, a basic element of equity must come into play here. The United States is the largest consumer of drugs in the world. We feel it is imperative that the United States contribute more to stem the flow of drugs going to that country.

We are poor countries that provide our goodwill and efforts to fight drugs. We believe the United States should provide the resources to fight drug trafficking. Our countries consume small quantities of drugs. The United States is a large consumer. It consumes \$200 billion worth of narcotics every year, which is more than 20 times the value of Central American exports to the world annually.

It is therefore imperative that the United States provide not only logistical support but economic resources to deal with the problem, but the exact opposite has been taking place. U.S. military aid has been reduced. We must modify our equipment and direct our resources in the struggle against drug trafficking, so we will need an increasing amount of support from the United States. There is a great deal of political willingness in Central America to fight drug trafficking.

[Mendoza] Good afternoon, Mr. President. Arnulfo Mendoza of CRITICA LIBRE. Mr. President, Central American statesmen are eagerly seeking Latin American integration. Do you foresee a confrontation of this bloc with the demanding European market, among others? When will Latin America stop being dependent on the United States?

[Callejas] We do not intend to create a confrontation of regional blocs. On the contrary, we support an expansion of the foundation of the internal economy of blocs so we can be more competitive. The basic difference that exists in the world is not in the economic area but in knowledge. To the extent that we, given our economic and size limitations, are unable to absorb knowledge to transform our technology, we will not be competitive.

Europe is moving toward the formation of an economic bloc, and it obviously represents an important part of the

developed world. We have such a long way to go that we want to find complementarity and relations that will permit us to improve access to our markets in time and purchase more goods and services, as well as to improve the living conditions of our countries. [passage omitted]

[Unidentified reporter] Mr. President, the Bush administration maintained intense relations with Central American countries. What do Central American presidents expect from the Clinton administration? Thank you.

[Callejas] President Bush took very clear steps toward Central America. The Enterprise for the Americas Initiative was complemented by a series of decisions by President Bush that have been beneficial. In Honduras, my government feels very pleased with its relations with the Bush administration. The U.S. Administration forgave nearly \$427 million of the Honduran debt acquired last decade during the conflict in Central America. We deeply regret the fact that President Bush is leaving the White House.

However, this does not mean that we have doubts—particularly after the televised speech by President-elect Clinton to the Caribbean Basin Initiative meeting—that there will be a follow-up on this initiative. That is what we are telling him in a note that the Central American president will send to the U.S. president-elect.

Well gentlemen, I thank you very much for being here. We are about to begin a meeting. I again reiterate, through you, our thanks to the Panamanian Government and people for their hospitality.

Endara Reveals 'Panama Declaration'

PA1212024092 Panama City Television Networks in Spanish 1940 GMT 11 Dec 92

["Main points" of the "Panama Declaration" issued by the 13th Central American Presidential Summit attendees at the Atlapa Convention Center in Panama City; read by President Guillermo Endara Galimany—live]

[Text] Panama Declaration: The presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, with the presence of the Belizean prime minister and the Dominican Republic's vice president as observers, met in Panama from 9 to 11 December 1992. We are convinced that it is imperative to perfect continuously authentic democratic, pluralistic, and participative processes that are respectful of fundamental political liberties and human rights. This, and the preservation of democracy in the region, are fundamental challenges for Central America in a period when a greater world order is prevalent, democracy is being perfected, peace is being consolidated, access is being gained to international markets under fairer conditions, and sustained development with social justice is being attained. To successfully face these challenges requires as

the most adequate instruments of integration an institutional area framework and strategies for complete development that include the agriculture and cattle ranching sector as the main point of the area's economic reactivation.

For these reasons we have decided to dedicate this summit to the agriculture and cattle ranching sector, aware that agricultural development, peace, and democracy are indissolubly united. We therefore declare that.... [pauses] I am going to read only the main points.

The consolidation of the Central American Integration System, SICA, is a basic area priority and represents the new overall outlook of area integration that will guarantee balanced and harmonic development of the isthmus. That is why we agreed to put SICA into effect as of 1 February 1993, under the terms of the resolutions that we have issued today. We have appointed a SICA secretary general.

The presidents of Costa Rica and Panama, invited by the presidents of El Salvador, Guatemala, Honduras, and Nicaragua, express our decision to take part actively in SICA within the limits outlined by our respective laws, until we ratify the protocol. Likewise, we reaffirm our pledge to continue to contribute to attain the goals and purposes of the Tegucigalpa Protocol of 13 December 1991.

All integration organizations, commissions, and institutions must operate coherently, in coordination and harmony within the SICA framework, as established in the Tegucigalpa Protocol. This obligation is imperative and of fundamental importance in all regulations that pertain to Central American integration.

The conclusion of the negotiations and the signing of the statute for the Central American Court of Justice is a very important step in realizing the Central American longing for justice, legal security, and common well-being, which the integration process reaffirms.

There is a primary commitment to develop a modern agricultural sector that will be able to compete internationally in an open trade scheme. To this end we decided to adopt the Panama Agriculture Pledge [Compromiso Agrícola de Panama] to support the attainment of such a high goal.

Efforts made by the area's agricultural and cattle ranching sectors concerning trade liberalization deserve definite and corresponding actions by developed countries, stressing the elimination of trade barriers that have nothing to do with import tariffs. We share the principles of trade reciprocity. This should take into account the various levels of development of the Central American countries.

The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama express our full support to the peace efforts made by Guatemalan President Jorge Serrano Elias to end the domestic confrontation that has

affected Guatemalan society for over 32 years. We call on the Guatemalan National Revolutionary Unity, URNG, leadership to comply faithfully with the agreed procedures, sign soon the human rights agreement, and expedite the negotiation process. We support the proposals made by President Serrano Elias on 30 June 1992, aimed at expediting and putting in order the negotiation process. We urge the armed groups that make up the URNG to abandon terrorist and sabotage activities as these directly affect the civilian population and the country's infrastructure. We hope that the URNG signs as soon as possible the total peace agreement—firm and lasting—thus ending the last armed confrontation still in effect in Central America.

The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama express our satisfaction over the recent ruling issued by Guatemala's Constitutionality Court declaring legal the actions by the Guatemalan Government and Congress backing the Executive Branch's actions to recognize the self-determination of the Belizean people and Belize as an independent state, as well as establish diplomatic relations with that country.

We call on both parties to begin direct negotiations to settle their territorial dispute. We believe that this will permit them to reach a satisfactory solution for both countries and will contribute to stability and development, and better the relationship between these countries and with the region in general.

The presidents of Costa Rica, Guatemala, Honduras, Nicaragua, and Panama express our heartfelt congratulations to President Alfredo Cristiani for the success of attaining peace in El Salvador. He made it possible to consolidate in his country a period of full democracy, with the participation of all political groups, in an atmosphere of harmony, reconciliation, and respect for the state of law, beginning on 15 December.

Additionally, we express our recognition of the United Nations, the UN secretary general, the presidents of Colombia, Mexico, Venezuela, the prime minister of Spain, and the U.S. President for their valuable cooperation in the Salvadoran peace process. We call on the international community to continue supporting the Salvadoran national reconstruction plan and the new democratic institutions resulting from that process, which strengthens peace in that country.

The consolidation of peace, the strengthening of democracy, and national reconciliation in the region require support for the process of fully reincorporating the sectors affected by the armed conflict into the production activities of their countries. In this regard, we ask the international community to continue supporting these reincorporation efforts, which are a key to regional stability.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua reiterate the democratic origin of the Government of Panama. We consider it necessary

and imperative that the Republic of Panama be reincorporated as a full member, as it was prior to 1986, of the activities of the permanent political consultation mechanism called the Rio Group. This reincorporation would be a well-deserved recognition of the progress made during the mandate of President Guillermo Endara Galimany on the consolidation of the democratic system, the respect for the people's will and human rights.

In this regard, we decided that the Central American representatives to the Rio Group should take steps to achieve this objective.

The support of the international community for the activities of rehabilitation, reconstruction, and development in Nicaragua, within the framework of the special circumstances it is facing, continues to be a key factor in consolidating the efforts by President Violeta Barrios de Chamorro in favor of peace, democracy, and stability.

We repudiate every attempt to disrupt constitutional order and democratic institutions in the hemisphere. We repudiate the use of violence to seize political power, the existence of armed groups outside of the law, terrorism, and the destabilizing actions that go against human rights. In this regard, we express our rejection and condemnation of the recent coup d'etat in Venezuela. We ratify our support for Carlos Andres Perez, Venezuela's constitutional president.

We express our recognition and support of the efforts being waged by Colombian President Cesar Gaviria in his struggle against terrorism and drug trafficking, which alter peace and affect the welfare of his people.

We view with satisfaction the progress made by the draft mutual legal assistance treaty, proposed by Panama, among the corresponding authorities of Central American countries. The draft represents a positive step in the area of regional judicial cooperation and an effective instrument to punish, investigate, and eliminate a wide variety of crimes, even crimes that go beyond international borders. These crimes are drug trafficking, money laundering, and the illegal transfer of weapons.

We welcome the initiative by the Belizean Government to host a presidential summit to analyze and coordinate regional efforts to fight drug trafficking and the use of illegal substances, which seriously threaten our societies. This meeting is scheduled to take place in Belize from 19 to 21 February 1993.

The presidents of Costa Rica, Guatemala, Nicaragua, and Panama express our satisfaction over the demonstration of friendship with which the Republics of Honduras and El Salvador welcomed the ruling issued by the International Justice Court on 12 September of this year, ending the border dispute between the two countries.

We consider it necessary that the corresponding authorities adopt legislative or administrative measures to improve their effectiveness in the implementation,

update, and modernization of laws to protect or defend our cultures. Therefore, we urge the corresponding authorities to conduct studies and research with the support of international organizations and prepare a project or draft bill on that matter. We also ask them to promote projects and programs aimed at standardizing the cultural laws of our countries.

We support the formation of an integral system to protect the population that is more supportive, with universal coverage and a great sense of equilibrium. This system should contemplate health services, economic pensions, and social services, in accordance with the particular characteristics of each nation. In this regard, we decisively support the strengthening of the social security institutions as proper bodies to fulfill the national and regional responsibilities of implementing social security plans.

We welcome the creation of the Central American Council of Social Security Institutions [Consejo Centro Americano de Instituciones de Seguridad Social], urging it to coordinate its plans with the regional commission of social affairs.

We recognize the importance and value of several contributions made by rural women to family, democracy, and the development of our peoples. Thus, we have decided to promote their economic and social enhancement within the framework of national human development plans.

We welcome the Central America strategy adopted by the first ladies and the Regional Commission of Social Affairs [Comision Regional de Asuntos Sociales] to implement the recommendations included in the declaration issued at the world summit of first ladies to improve the economic conditions of rural women. We highlight the importance of this summit, which was held in Geneva.

We welcome the progress made in the negotiations concerning the new cooperation project between the EC and the Central American countries. This should make possible the free entry of our products into the European market and should defend the region's interests within the framework of the ties established in the San Jose talks. In this regard, we reiterate the need for cooperation to continue and increase. This is indispensable to promoting economic development and consolidating democracy in the region.

We highlight the importance of the first Central American Presidential Summit and of the Group of Three meeting that will be held in the first quarter of 1993. During this meeting, a plan to strengthen relations and expand cooperation will be adopted.

We express our confidence that the efforts under way will lead to a successful completion of the Uruguay Round negotiations. This will permit the economic reactivation and the expansion of world trade in favor of growth in developing countries. Within this context, we

urge that banana imports be conducted in keeping with GATT rules and regulations. We reiterate the need to liberalize fully the market for that product, in accordance with the commitments made in the Declarations of Punta de Este and Monte Real, and respecting the existing legal obligations with Caribbean countries and Belize.

We highlight the importance of the negotiations being held on the new international coffee agreement. We support firmly all initiatives seeking to improve and stabilize international coffee prices.

We reaffirm the basic role of the meeting of economic cabinets of Central American countries as a regional forum responsible of proposing, implementing, and coordinating economic agreements and commitments resulting from the Central American presidential meeting. In this regard, we task this forum with presenting at the upcoming presidential meeting a coordinated, viable, and realistic program to consolidate all national macroeconomic policies.

To bring about the economic union of Central America within the SICA framework, which was established by the Tegucigalpa Protocol, we approved the bases for the new Central American integration treaty in the form of an annex to this declaration. They will have to be approved by the economic cabinets of Central American countries by 31 May 1993 at the latest.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua welcome the decision of the Panamanian Government to establish, at the national level, the Mixed Commission for Central America, which will be tasked with leading and coordinating the actions required to achieve the gradual and complementary incorporation of Panama into Central American regional integration and development processes. This will facilitate the multilateralization of trade agreements signed with other countries of the region and its incorporation to all regional integration forums and organizations.

The presidents of Costa Rica, El Salvador, Guatemala, Nicaragua, and Panama voice our satisfaction with the political determination shown by the Honduran Government by adhering fully to the Central American tariffs and customs agreement, because this decision will strengthen the regional integration process.

We underscore the need to reach regional financial integration through the promotion and strengthening of a complete and free flow of capital among countries of the region for investment purposes. In this regard, and in keeping with the resolution of the economic cabinets, we agreed to promote and strengthen the modernization and interrelation of national financial systems.

We also agreed to interconnect our stock exchanges so they may carry out all types of securities transactions between one country and another. This will simplify the establishment of branch offices of national financial

institutions in other countries in the region and allow access to all financial services. All of this should be carried out within a framework that will allow state banking institutions, in those countries where such institutions operate, to compete with private banks on equal terms, while simultaneously establishing common regulations and criteria on supervision of these financial institutions. We seek to promote a tax structure with neutral effects on the movement of funds within the region and to create an adequate flow of economic and financial information, which will aid economic authorities in the decisionmaking process.

To move toward these objectives, we instructed the Central American Monetary Council to develop a regulation proposal or legislative modifications, as the case may be, during the first quarter of 1993.

We hereby express our concern about the fact that the North American Free Trade Agreement could undermine the preferential trade conditions the region has enjoyed as part of the Caribbean Basin Initiative and the general preference system. We trust that a mechanism will be found to allow the region's countries to enjoy and increase existing benefits.

We hereby recognize the progress attained in the execution of the Inter-American Development Bank Central American Development and Integration Program, which seeks to promote a greater degree of integration among the Central American economies. We also recognize the importance of the Regional Advisory Group as a forum for the region to seek greater outside financial and technical assistance; to offer guidelines for such foreign cooperation in the fields of investment, assessment, and technical assistance; and to obtain more active private sector participation in the regional integration and development process.

We are pleased to accept the Central American Parliament's recommendations regarding the Promotion Plan for Central American Integration for 1992-1993; as well as the social agenda, which includes a draft bill for social development in Central America; and the project to raise funds to support the national human, economic, and social development plans. These recommendations include a draft bill for the social development of the Trifinio Region [an area made up of Chiquimula, Guatemala; Santa Ana and Chalatenango, El Salvador; and Ocotepeque and Santa Rosa de Copan, Honduras, under a tripartite agreement]

Aware of our commitment to preserve the environment, and as a demonstration of our wish to comply with what was agreed on at the last Rio meeting, we signed on 11 December the area agreement on the movement of hazardous waste over our borders.

We state the need to carry out a common effort to favor the development of area sports and recreation as instruments of rapprochement and unity among Central Americans. To this end, we are pleased at the creation of

the Central American Isthmus Sports and Recreation Council [Consejo del Istmo Centroamericano de Deportes y Recreacion].

We recognize the business and labor sector, which met with us during this summit, for the support they are giving to the Central American integration process. In recognizing this contribution, we instruct the council of foreign ministers to establish a procedure that will allow these business and labor sectors to participate more in this integration process.

To contribute to face the basic Central American challenges in a period when a new world order is taking place, on 11 December we have adopted the Panama Agenda as an integral part of this Declaration, to delineate actions and highlight the commitments aimed at perfecting the necessary principles to consolidate Central America as an area of peace, liberty, democracy, and development.

We welcome the presence of Dominican Vice President Engineer Carlos Morales Troncoso and are pleased at his significant participation as a special guest at this 13th summit.

The meeting of Central American presidents, as the uppermost instrument of the Central American integration system, will take place from 16 to 18 June 1993 in Guatemala.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, as well as the Belizean prime minister, thank President Guillermo Endara Galimany, and through him the Panamanian Government and people, for the attention received and the warm hospitality that made this summit a success.

[Issued] Panama, 11 December 1992. Many thanks. [applause]

Serrano Makes Closing Remarks

PA1212043692 Panama City Television Networks in Spanish 2011 GMT 11 Dec 92

[Closing remarks by Guatemalan President Jorge Serrano Elias at the 13th Central American Summit at the Atlapa Convention Center in Panama City—live]

[Text] Mr. Presidents, Mr. Prime Minister, distinguished guests accompanying us this afternoon:

We have come to the end of one more Central American summit, the mission of which has been characterized by the historical need to attain peace. The first summits were held against the backdrop of the Central American peoples' anguish to find a solution to their internal and external conflicts. We are ending the 13th summit today, and we are witnessing various historic events.

The Central American presidents met in Panama for the first time today to promote Central American integration. It is no longer Central America and Panama, but

Central America as one. We are six republics that are working and progressing toward a common future.

In 1826, however, this same city hosted the Bolivarian Congress of Panama. Colombia, Peru, Mexico, and Guatemala were present on that occasion. The UK and the Netherlands were observers.

This means that Panama once again announces to the world its integration intentions and takes a fundamental step by receiving us and encouraging us to continue.

It is a pleasure to have His Excellency Belizean Prime Minister George Price and Mr. Carlos Morales Troncoso, vice president of the Dominican Republic. Their countries are moving closer each day to this Central America with which they have historic, geographic, and even political ties now because of their participations.

On behalf of the Central American presidents, I want to make a very, very special recognition of President Guillermo Endara for his vision to walk the path of integration with the future in mind, with a modern understanding of history, and with realistic vision that is consistent with his people.

It could be no other way. The entire world is looking for ways to complement their economies. The world is looking for ways to come together to resolve jointly the problems of modern society.

Panama is undoubtedly the Central American sister that can contribute greatly to Central American integration and also receive a great deal from the rest of the Central American countries. We see Panama developing in terms of trade, maritime transportation, and finances. These are three of the fundamental potential elements that Panama can put at the service of Central America. Panama can receive huge benefits for these services from the rest of Central America.

We believe the potential of Panama's industry and commerce can be enriched with Central American integration. Someone said Panama could be adversely affected in its industry and trade. That is no longer the case.

Panama, just like the rest of the Central America, is facing a challenge about which no one has asked us for an opinion. Giant economic blocs are being formed and are willing to penetrate and compete on our markets, but we also have the great opportunity to enter those markets. How can we enter those markets if we cannot gain any productive ground in our region due to our small economies? The only way to achieve it is by expanding our markets through political agreements and industrial and productive modernization. It is not something imposed on us by regional integration but by world reality.

Within the framework of this 13th summit, Central America is getting ready to expand its internal market and win over foreign markets. We have been holding summits and reaching agreements to deal with the great

social problems in our region, to increase the productivity of our economies, and to develop better standards of living for our countries.

That means expanding our foreign markets and giving Central Americans an opportunity to improve their standard of living. Each one of our countries has expanded its own market through the Central American agreements.

We are facing a new reality. The Central American market crumbled 20 years ago due to a conflict that we Central Americans did not want. Today, however, with renewed optimism and hope, the Central American free trade area will again be fully operational on 1 January 1993. That means we mended 20 years of history that we do not wish to remember.

It is encouraging that Central American countries will be operating with a common tariff on 1 April 1993. It gives us hope and the certainty that we have an expanded market of more than 30 million people.

This group of presidents and the group that preceded us have actively and aggressively sought markets for Central American production. That is why all our countries signed the Enterprise for the Americas Initiative and began negotiations with the Group of Three, which is made up of Mexico, Venezuela, and Colombia.

We hope we will follow up on the Tuxtla agreements by signing new agreements very soon next year. In the interim, all countries as a region have signed a basic agreement to negotiate a specific free trade agreement with Mexico.

Finally, the presence of his excellency the prime minister of Belize offers us the great opportunity of merging the Central American market with the English-speaking Caribbean market. That hope is obviously encouraged in a very special way with the presence of his excellency the vice president of the Dominican Republic, whom we have considered to be one of us since he started attending our meetings. We want him to convey our greetings to President Balaguer and express the Central American hope to increase our potential and improve our future aspirations through the presence and solidarity of the Dominican people, whom we love very much and want to see among us. [applause]

Important steps within the institutional order were taken in past meetings, but that has been particularly true during this meeting. We have ensured that the coordination of executive organizations and all integration efforts will have a single and coordinated direction through the Central American Integration System, SICA. The presidents decided to assume the responsibility of offering the political orientation SICA requires through semestral meetings.

We have opened the possibility for new councils such as the Council for Social Assistance and Welfare [Consejo Para la Asistencia y Prevision Social] that we are creating

today to promote integration. All of these councils will be coordinated through the Central American Integration Council [Consejo de Integracion Centro Americano]. The executive secretariats can thus forward their viewpoints to the presidential meetings in an orderly way so the integration network that has been in the making throughout history can move faster. Continuing with institutional matters, the presidents of the Central American republics accepted the proposals submitted for our consideration by the Central American Parliament. For the first time, its proposals were specifically studied during the presidential meetings. Some of its initiatives were taken into consideration and are now being implemented through executive channels.

Also on institutional matters, we noted the major importance of the signing of the statute for the Central American Court of Justice. We, the Central American presidents, are greatly honored by the fact that the chief justices of the Supreme Courts of Justice of each Central American country attended this summit. [applause] We hopefully see that the aspect concerning the executive branches is making progress and that the aspects to achieve political compatibility in the legislative branches are making progress. Now, as a factor reinforcing our regional legal systems, Central Americans are seeing that our differences will never again have to be submitted to organizations outside the region as we will be able to settle them with Central American judges who know our ideology, our characteristics, our weaknesses, and our possibilities. Thank you very much, Messrs. Presidents, for your efforts and enthusiasm in taking such a significant and major step for the Central American region. [applause]

Today our agriculture and economy ministers also turned their attention to agricultural development, as they are aware it is the cornerstone on which the Central American economies rest and the starting point for industrialization and competitiveness in markets outside the region. It is a pleasure to see that we were able to overcome a series of problems we had in past negotiations on grains and food. We now see all our ministers and governments concerned guaranteeing food security for our peoples and for the development of the small- and medium-scale farming businessman so they can better respond to market requirements and the needs imposed by our countries' development.

We are pleased to see that our countries are facing the challenges posed by agricultural exports together. We regard as highly satisfactory the fact that we were able to make joint decisions inside our region and to implement them to defend traditional exports such as bananas and meat.

This shows us once again that unity is strength and that integration will allow us to defend our interests in a harmonic, coherent, and strong fashion.

In conclusion, on behalf of the Central American presidents, the prime minister of Belize, and the vice president of the Dominican Republic, I wish to thank the Panamanian Government and people for their warm hospitality. We want to say to all Panamanians that if we loved them before, we love them even more now. We felt at home here. It seemed as if we had always been historically part of the same region. That is so because we are culturally the same and because our needs have brought us closer to reconciling our interests and facing the world around us.

Finally, on behalf of the Guatemalan Government and people, I wish to invite you to meet in Guatemala in June 1993 to discuss democratic institutions. God bless you all and thank you very much. [applause]

Presidents Closing News Conference

PA1212145192 Panama City Radio and Television Networks in Spanish 2030 GMT 11 Dec 92

[News conference with Presidents Guillermo Endara of Panama, Rafael Calderon of Costa Rica, Alfredo Cristiani of El Salvador, Rafael Callejas of Honduras, and Jorge Serrano of Guatemala at the Atlapa Convention Center in Panama City by local and foreign reporters, moderated by Rene Hernandez—live]

[Excerpt] [passage omitted] [Hernandez] Felix Colindres of PRENSA LIBRE of Guatemala, and afterward, Alexander Bermudez of the 90.5 Newscast.

[Colindres] Yes, a couple of doubts directed to the host president. President Endara, there had been talk in the beginning about reaching a Central American political union. The question is what happened with this and what was the scope? Also, one does not often see a Central American win a Nobel Peace Prize. Was this not discussed in your meetings?

[Endara] I think President Callejas wants to answer the first question.

[Colindres] Yes, do you have any comment in this regard?

[Callejas] As for your first question, at no time did Guatemala, El Salvador, and Honduras plan to bring political proposals on the union of our countries, because these are issues that pertain to each Central American nation. Guatemala, El Salvador, and Honduras decided to establish internal consultation commissions to talk with our nations' peoples and find out their opinions on political union.

Economic integration and the institutional framework of integration are the main issues here. While respecting the sovereignty of each Central American nation, we simply informed the presidents of the efforts of Guatemala, Honduras, and El Salvador. At a news conference on 10 December, I clarified this to avoid confusion. I urge the media to report my statements correctly: At no time have Guatemala, El Salvador, and Honduras presented a

political proposal at this summit. We came to discuss institutional integration and agricultural development in particular.

Once the other fraternal nations of Central America—and we hope this will indeed happen—decide to seek political integration, they will let us now in due time and in the manner they choose, because this involves an absolutely sovereign decision that we must respect.

[Endara] As for your second question, I must say with utmost honesty that we had so many topics to discuss—and you will be able to ascertain this by taking a look at the documents we signed on 11 December, some of which were signed on 10 December, such as the agreement on the Central American Supreme Court—that we have had no chance to congratulate Guatemala, because one of its citizens was distinguished with the Nobel Peace Prize. We sincerely did not have a chance to do so and I congratulate the president of Guatemala now although I am doing so late.

[Serrano] Thank you very much. [applause]

[Hernandez] Alexander Bermudez of the 90.5 Newscast, and afterward, German Reyes of ACAN-EFE.

[Bermudez] My question is for the Panamanian president. In his inaugural speech, Panamanian President Guillermo Endara said international financial institutions have offered little help to Central America. Do you feel betrayed by these financial organizations? Do you have regrets for paying the financial debt of the state, and thus, not having solved the country's economic problems completely?

[Endara] We, the democratic governments, did not build up the debts we owe international organizations. I recall that during the 11 days of the government of Dr. Arnulfo Arias, who headed the last constitutional government prior to the government that I am proud to head, we had a debt of about \$300 million. I recall Dr. Arnulfo Arias commenting on numerous occasions that we had an enormous debt. When we assumed power we found a debt of more than \$6 billion.

[Bermudez] Pardon me?

[Endara] More than \$6 billion. That debt, however, is a debt that the Panamanian nation must pay. We have had to resort to international credit to carry out needed projects. We have to normalize our relations with international financial institutions. In my inaugural speech, I did not try to suggest I felt betrayed. I echoed a general opinion of the region.

I definitely assume the responsibility for what I said, because I think that when the region was submerged in violence, everyone asked us to seek peace and promised they would help us in times of peace and democracy. We now enjoy peace, democracy, and freedom, but the aid has not arrived as was promised. This is what I said and I assume responsibility for it. However, I am almost confident this belief is shared by many in the region.

[Hernandez] We remind journalists that there was a list at the entrance of this room. Those who do not appear on the list will have to leave. German Reyes of ACAN-EFE and later Maite Zachrisson of Omega Stereo. The gentleman of ACAN-EFE is on the right.

[Reyes] Good afternoon, Messrs. Presidents. My questions goes to the host president. What are the specific points or the specific requests made by the six Central American presidents in the letter addressed to U.S. President-elect Bill Clinton? My other question goes to the presidents of Costa Rica and Panama. What are the prospects for your countries ratifying the Tegucigalpa Protocol next year?

[Endara] I will give the floor to my dear brother...

[Calderon, interrupting] Pardon me, could you repeat the part on the Tegucigalpa Protocol next year. I did not hear well.

[Reyes] What are the prospects for Costa Rica and Panama ratifying the Tegucigalpa Protocol and creating the Central American Integration System [SICA]?

[Calderon] The letter to President-elect Clinton had several objectives. One, we wanted to make it clear what we have been struggling for because of our own convictions and not because of impositions by anybody. We have struggled for peace and liberty in the region. We have fought for democracy and respect for human rights.

Nowadays, we take pride in the fact that we were freely elected by our peoples. We had to make it clear that this was the conviction of each one of us and not the imposition of anyone.

On the other hand, we wanted to express to him our interest in continuing to promote the commercial relations between our region and the United States of America.

It is no secret to anyone that on many occasions during his electoral campaign, President-elect Clinton voiced some concern over the jobs that have shifted to our region and the jobs that have been created in our region. It is true that we have created many jobs with foreign companies that have come to our region. It is true that our exports to the United States have increased considerably. But it is also true that with greater purchasing power, our peoples have substantially increased imports from the United States of America. This has created 200,000 new jobs in the United States. Today, our region is one of the few in the world with which the United States maintains a favorable trade balance. It was important for us to get this message across to him, because free trade is a two-way street. It has helped us and we are happy for it, but it has also helped them. We also expressed to him that we wish to maintain relations of respect and affection, since we all live in this hemisphere.

Regarding the Tegucigalpa Protocol, I hope that in the coming period of special sessions of the Costa Rican

Congress, which runs from January to April, we will see the approval of the Tegucigalpa Protocol. I am still hopeful that Congress will approve the entry of my country into the Central American Parliament [Parlacen]. As I have told you many times, I am a fighter and I will not give in easily.

In addition, I am very optimistic. I told you that if I was not optimistic, I would have not been a presidential candidate three times before finally winning. We will continue working to join the Parlacen. [applause] We will continue fighting. No matter how many times we are defeated, we will continue fighting until we see Costa Rica join the Parlacen so I can be your colleague, distinguished Parlacen president.

[Hernandez] Journalist Maite Zachrisson. To the right, Messrs. Presidents.

Mirna Ortega of ECO Televisa will take the following question.

[Zachrisson] Mayte Zachrisson of Panama's Omega Stereo Radio Station. My question is for President Callejas. Was any kind of networking system discussed among the Central American countries for blocs of industrialized nations to stop the distortion in the marketing of some farm products like coffee and bananas?

[Callejas] The proposal made during this agricultural development summit is based on free trade as the basic element for the new international economic relations. We recognize and respect the commitments made by groups, such as the EC, with African, Caribbean, and Pacific countries, but we are asking that international commerce operate within the framework of GATT so we can compete without restrictions in the international market. Logically, the topic of bananas and coffee is very important for the Central American region.

For that reason, it is very important to maintain a Latin American response bloc in line with our proposals. We are hopeful this situation will be settled under this great concept and banana exports will continue to expand in the European market. As for coffee, our intention is to achieve an agreement that helps and regulates the price of coffee. This is to avoid the consequences we have borne because of the collapse in coffee prices. Because this product is one of our top exports, it is vital for the Central American region and the rest of the world.

[Hernandez] Mirna Ortega, on the left. Messrs. Presidents, Radio Ancon's Lastenia Murillo will follow Ortega.

[Ortega] Good afternoon, Messrs. Presidents. According to the proposals made in this region, when do you feel an integration with the North American economic bloc, created recently among Canada, Mexico, and the United States, will be achieved? Or, to the contrary, do you feel border obstacles will continue to exist for the Central American market, rather, for Central American products? This question is for any of the presidents.

[Endara] Here to answer is the Guatemalan president.

[Serrano] As was established earlier, the common market of the North is a reality. We understand the final signing of the agreement is likely to be held on 15 December. Central America must face this as a challenge. It has no other alternative. If we do not take the actions that must be taken, we will possibly remain as an eminently passive region in these new commercial relations. If we, however, take advantage of the integration process we have been conducting, and are able to modernize and restructure our productive apparatus, we will be able to participate with greater ease and aggressiveness in a market that sooner or later will open. What are the problems we are seeing? We see that some of the privileges which the Central American and Caribbean regions already have to penetrate the U.S. market may end. Should this happen for a period of one or two years, or should there be a significant difference in Mexico's commercial relations with the United States and Canada? In Central America's commercial relations with the United States and Canada, Mexico could become additionally attractive for foreign investors to the detriment of our countries. Along these lines, we already agreed to take some actions to avoid a vacuum of opportunities in the region that can discourage production in Central America.

In addition, we have to note that there are advantages, not just disadvantages. There are great advantages that are involved in this new trade system. Central America is the only region of the world that can export its products by land to the great northern market.

Both Guatemala and Belize share their borders with that market and through our free trade zone we can reach that great market by just crossing a bridge. Our proximity gives us a huge advantage when competing in that market.

Obviously we have to compete with quality and price, for which almost all countries are implementing industrial modernization processes, making our agriculture and commerce more efficient so we can compete in those markets under better conditions.

I also talked about the free movement of capital. We believe it is a fundamental element of integration. We believe capital should be able to freely move from one country to the other. We have taken precise measures. We have given instructions to our finance ministers to accelerate the creation of a system to facilitate the movement of capital. This will better complement our economies. Our countries will probably decide not to deposit their resources in New York or Hamburg. Our countries will use a well-developed, modern financial center such as Panama. We could funnel our resources through stock exchanges, private and state banks in our countries through the Panamanian banking system. I believe we have a great opportunity with this complementary system we are trying to achieve. If we are able to

make good use of it, and if we can make our systems compatible, we will really be able to compete in the northern market.

To conclude, we have a challenge, but we believe we can face this challenge if we can unite and work together.

[Hernandez] Ten minutes of the news conference remain. Lastenia Murillo from Radio Ancon is to your left, Messrs Presidents. David Carrasco of IPS will make the next question.

[Murillo] Good afternoon, Messrs. Presidents. This is Lastenia Murillo Munoz from Radio Ancon. My question is for Salvadoran President Alfredo Cristiani. I would like to know if [break in reception] and if you are not afraid of the return of the military to power?

[Cristiani] Could you please repeat the question. I did not....

[Murillo, interrupting] Yes, Mr. President, I will repeat the question. Tell us about your experience in attaining peace in your country and are you afraid of the military returning to power?

[Cristiani] As for the peace process, I believe all we have done is to interpret the feelings of the Salvadoran people who wish to put an end to the violence. I believe many groups have directly contributed to this effort. One of them was the Army. The Salvadoran Armed Forces have been one of the institutions that have contributed the most to the achievement of the peace agreements. The reason for this is that the Salvadoran Armed Forces are aware their role is within the democratic process and in that sense, they have a clear mission to accomplish. The Armed Forces are very respectful of this mission. I repeat, we do not believe the Salvadoran democratic process can be derailed. We say this because we have been able to experience the professionalism of the Salvadoran Armed Forces during the entire peace process.

[Hernandez] David Carrasco is to your right, Messrs. Presidents. Ronald Espinoza from LA NACION is next.

[Carrasco] This is a question for any one of the presidents. I understand you are all well-informed about this matter. What proposal will Central America bring before the GATT following the meetings held by the agriculture ministers on 10 December, in which they discussed presenting a unified position before the EEC for the free import of bananas? In addition, what points were disagreed on and could not be ironed out during the summit? In what areas were agreements not reached on the road to integration?

[Calderon] As for the position we would take to the GATT, there is nothing concrete yet. There will be a meeting on 14 December in San Jose, Costa Rica, of foreign trade and agriculture ministers, to make a concrete decision. This is not only for the Central American area, but also Colombia and Ecuador. I did not hear your second question....

[Carrasco] Were there any differences?

[Calderon] There were no differences.

[Carrasco] Industrial sectors predicted prior to this meeting that there would be differences in reaching a consensus on economic matters.

[Calderon] There were none.

[Carrasco] What aspects of the meeting provoked polemics and could not be settled? What new differences emerged? Or have you agreed fully on everything?

[Calderon] Economy ministers, there were no differences, correct?

[Unidentified minister] Not that we know of. [laughter] [applause]

[Hernandez] Ronald Espinoza of LA NACION, and afterward, Euclides Corro of LA ESTRELLA DE PANAMA.

[Espinoza] Good afternoon. My question is for President Jorge Serrano. Point 36 of the Declaration of Panama voices concern over the North American Free Trade Agreement [NAFTA]. The second paragraph reads: In this regard we trust there will be a mechanism allowing countries of the region to enjoy existing benefits and expand them. This is in reference to the Caribbean Basin. What would those mechanisms be?

My other question is for President Calderon. Did you agree to formalize the creation of a fund for the revival and modernization of the agricultural sector? If so, where would those funds come from? I mean a special fund for the agricultural sector.

[Serrano] I am not sure whether I heard you correctly, but I think you asked about the mechanisms...

[Calderon, interrupting] He wants to know how the mechanisms we use will ensure the free trade agreement between the United States, Canada, and Mexico will not affect us.

[Serrano] The mechanisms that have been discussed, not only in this meeting but previous ones, pertain to ways to maintain us at an equal footing in the U.S. market. We do not want discriminatory treatments that would affect the labor and industrial sectors of our countries, because there is one thing we must take into account.

For example, within the Caribbean Basin there are products that enter the U.S. market free of many tariff barriers that have promoted investments in our countries. These investments have led to the training of labor and development of raw material sources for a specific purpose: to enter the U.S. market through an industrial or agricultural process.

Should the creation of NAFTA alter the access of these products to U.S. markets, Central American production would suffer an imbalance, workers would be out of

work, and investments in our country would go idle. This would cause tremendous damage to our economies because large amounts of foreign currency would stop flowing into our countries.

This is why we, who have not requested special protection or treatment, think there should be mechanisms to strike a balance with those goods that already enjoy special treatment in northern markets. This is to avoid problems that would arise should this aspect not be taken into account.

[Calderon] Ronald, as for the possibilities of establishing a fund to modernize the agricultural sector, we in Costa Rica, as you know, have two very specific sources. One is the agricultural sector adjustment program that was worked out with the World Bank and will be forward to the Legislative Assembly in December.

This program envisions a cooperation program of over \$50 million, which is aimed at the agriculture sector.

As you know, we are negotiating the third structural adjustment program which will be presented before the board of directors of the World Bank on 22 December. This program earmarks \$180 million for Costa Rica. The government decided that a part of the \$180 million will be earmarked for the general reconversion of productive sectors, including, of course, the agriculture sector.

These are two openings which could be used by some of our sister nations so that, through the World Bank and IDB, they can obtain financing to implement the structural changes that every country deems suitable.

[Hernandez] Journalist Euclides Corro of LA ESTRELLA DE PANAMA will take the next question.

[Corro] First of all, I would like to take this opportunity to greet Mr. Alfredo Cristiani, president of the homeland of my mother and grandparents. Good afternoon.

My question goes to President Cristiani. Have you considered the possibility of forming a common front to face the demands of international credit organizations so that you can meet the social needs of each of your countries?

[Cristiani] In this regard, each country has taken steps to try to alleviate the debt service burden in their budgets. Countries have varying possibilities. I would like to give you the example of El Salvador, whose largest creditor is the United States. In December, thanks to the Enterprise for the Americas Initiative, the documents cancelling practically 80 percent of the Salvadoran debt with the United States will be signed.

Costa Rica has used other mechanisms to alleviate the debt service burden and we seek mechanisms to accomplish this end. It is very difficult to seek a common front in certain aspects that are dissimilar. In other words, it is difficult to seek a common front when the creditors are different and we do not have the same possibilities to alleviate the debt burden.

However, we, as individual nations, are taking steps to alleviate that aspect and I believe that, from what we perceive so far, the debt of Nicaragua with the U.S. was also cancelled. I understand an agreement was reached with the former Soviet Union to alleviate this. I believe that these are the most appropriate mechanisms to reduce the debt burden.

[Endara] The Honduran president wants to speak.

[Callejas] Some of us also have to leave, as Mrs. Chamorro did, and time is running out. That is why we thank you for the courtesy of asking the last question.

I would like to ask journalists to understand a basic aspect of the 13th summit of presidents of Central America. It is the fact that within the framework of free trade, the basic institutions to administer the free trade agreement came out of this meeting, as President Jorge Serrano said.

We now have the political forum, Parlacen; the judiciary forum, the Central American Court; and the executive

forum, the SICA. This means that Central America has gone from expressing its political intentions to deeds. On 1 January, five Central American countries will begin a free trade zone, a very singular phenomenon in Central America. It includes the effective participation of our different nationalities and, above all, marks a landmark, because the plan that will administer Central American integration has been institutionalized.

I sincerely feel that this opens a new and special opportunity which will meet the human development programs that are key in Central America. The improvement of our trade and our economic relations is the best alternative, within the framework of growth, to meet the enormous social debt of our countries.

[Hernandez] Messrs. Presidents, Mr. Prime Minister, First Ladies, Messrs. Ministers of State, Central American people, thank you very much for your attention. We now close the 13th Central American presidential summit.

Cuba**Dissident Sanchez Reportedly in Military Hospital***PA1112235592 Madrid EFE in Spanish 2231 GMT 11 Dec 92*

[Excerpt] Havana, 11 Dec (EFE)—Cuban dissident Elizardo Sanchez Santa Cruz, the president of the Commission for Human Rights and National Reconciliation, is in the "Finlay" Military Hospital prisoner ward in Havana. Relatives told EFE that Sanchez' body shows signs of swelling and being beaten.

The same sources added that Sanchez was visited by his mother and sister, who saw his condition, on the afternoon of 11 December.

Cuban Interior Ministry officials informed Elizardo Sanchez' relatives that he is not under arrest but under investigation. [passage omitted]

Tribunal Condemns U.S. Deployment in Somalia*PA1212043392 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Dec 92*

[Text] In Havana, the Anti-Imperialist Tribunal of Our America has condemned the deployment of military forces to Somalia under the UN flag and led by the United States. The Tribunal's statement notes that the United States, through this action, seeks to reaffirm its role as the global policeman.

Troops Comment on Maneuver Preparations*FL1112144792 Havana Radio Rebelde Network in Spanish 1221 GMT 11 Dec 92*

[Report by Rolando Almirante]

[Text] The 34th Anniversary of the Triumph of the Revolution maneuver will be conducted shortly in the western region, with the participation of a reinforced tank group from the 1011 military unit. Troops from this unit are already at the training ranges preparing the technical details to guarantee the success of this exercise.

The following are the opinions of soldiers Maidel Perez, Alexander Belgara, and Antonio Miguel Roque, participants in the maneuver:

[Begin recording] [Perez] We have been conducting extensive work here, particularly in the field of tactics, to become familiar with the terrain and the scope of the maneuver and with what the situation will be like.

[Almirante] You have been in this region for over 15 days, preparing the equipment. How has the preparation been going? What can you tell me about it?

[Belgara] So far, preparations have been progressing quite well. Today is assembly [parqueo] day, a day on which we customarily determine equipment readiness.

[Almirante] In your case, what is the situation?

[Roque] So far, we have been preparing everything. We have been working on the equipment so that it is ready for the exercise. Tomorrow we have a general practice. We are working so that this will work as it should.

[Almirante] When you first faced this type of training, did you think military service was like this or did you expect something else?

[Roque] I expected something similar, not exactly like this; [words indistinct] but something similar.

[Almirante] Since we are talking about expectations, what do you expect from this maneuver?

[Roque] We expect it to be successful. We are going to show the world, the whole world in general and particularly the imperialists, that we can and will continue forging ahead and that our combat readiness will be the best it can be. There will be no...[changes thought] like they say, that we do not conduct combat training. [end recording]

Jagan, Patterson Praise Ties in Letters to Castro*FL1112203192 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Dec 92*

[Text] On the 10th anniversary of the establishment of ties between Cuba and the Co-operative Republic of Guyana and Jamaica, the leaders of the two countries have sent a message of greeting to Cuban President Fidel Castro.

In his letter, Cheddi Jagan expresses his sincere gratitude for the cordiality, understanding, and cooperation which have characterized the relations between Cuba and Guyana. He added that this new era continues to develop and it behooves us to use our technological and human resources to turn the planet into a better place for mankind. In another part of the letter, Cheddi Jagan states that our bilateral ties should strengthen in the challenge of the coming years.

His Excellency P. J. Patterson, the prime minister of Jamaica, states in his letter that for years both nations have enjoyed ties based on a common Caribbean patrimony, the proximity of our coasts, and the will to promote global peace and understanding. He also affirms that the future holds difficult challenges for the Caribbean countries and the international community—challenges we are willing to overcome.

Center Warns Power Outages May Affect Water Purity*FL1212150392 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Dec 92*

[Text] The official report of Havana City's Hygiene and Epidemiology Center has informed the people of the province that the constant electric power outages could affect the operations of the chlorination plants in supplying water for

human consumption because the water could reach the consumers at any time with a chlorine deficit.

Everyone was urged to adopt, within their capabilities, one of the following measures to guarantee that the water had the essential [word indistinct] for consumption. For example, boil the water for 10 minutes and cool it in a covered container. The second option is to expose the water to intense sun rays during the hottest part of the day for two hours. In case of dirty water, let it sit until the sediment settles; then remove the water without sediment and expose it to the sun.

Another effective decontamination method is adding 20 drops of commercial bleach, at 2.5 percent, to a container holding 20 liters of water. Let it sit for 30 minutes before using. If the water is dirty, double the amount. In the case of being unable to follow one of the three mentioned recommendations, four drops of 200-percent tincture of iodine for each liter of water can be used. Shake the container well and let it sit for 15 minutes before drinking. This measure is not recommended for people who are allergic to iodine. These measures should be used mainly in homes where there are children younger than five years, sick, and old people.

Solana Accuses U.S. of Violating International Law

PA1212190192 Madrid EFE in Spanish 0130 GMT 11 Dec 92

[Text] Mexico City, 10 Dec (EFE)—The relations between Mexico and the United States are good, but "we will appeal to international courts if our neighbors continue to violate international law," Foreign Relations Secretary Fernando Solana said on 10 December. Referring to the kidnapping of Humberto Alvarez Machain and the U.S. attempt to enforce the Torricelli Law outside U.S. borders, Solana said: "The relations between the two countries are positive, but they are not exactly intimate because the United States has scored twice against us."

During an interview with the World Association of Women Journalists, the foreign secretary said: "Mexico will go to international courts if the U.S. fails to reconsider its stand."

Solana announced that in the next Mexico-U.S. meeting, Mexico will demand that a new article be included in the extradition treaty that exists between the two countries because, he said, "it is necessary to put an end to international law violations."

"The U.S. Supreme Court blamed several Mexican officials for the assassination of DEA agent Enrique Camarena Salazar, forcing a confrontation between the two countries," Solana said.

The Mexican Government thinks the U.S. violated international law by initiating legal proceedings against Alvarez Machain in Los Angeles on 9 December on charges that he is responsible for Camarena's assassination in Mexico.

In addition, the U.S. Government wants several countries to enforce the Torricelli Law, which was passed in the U.S. to bolster the economic embargo on Cuba.

PRD, PRI Members Clash Over Election Results

PA1212161292 Mexico City XHTV Television Network in Spanish 0200 GMT 11 Dec 92

[Text] The Michoacan Electoral Commission has announced the preliminary official election results in 39 of the 113 municipalities. After the final vote count in the 113 municipal electoral committees, active members of the Party of the Democratic Revolution [PRD] and the Institutional Revolutionary Party [PRI] clashed with rocks and sticks in Lazaro Cardenas, Michoacan. In the confrontation, 18 persons were injured.

[Begin recording, Juan Cano, chairman of the Electoral Board] Yes, I heard there was a small confrontation between members of two parties, but this is all the information I have so far. [end recording]

In 11 municipalities, it was impossible to hand in majority ballots to winning candidates due to the pressure of PRD followers unhappy with the results.

According to the Michoacan Electoral Council, PRI candidates won in 26 municipalities, PRD in 10, PAN [National Action Party] in two, and PARM [Authentic Party of the Mexican Revolution] in one. In Morelia, a majority ballot was handed in to PRI candidate Sergio Magana Martinez, who was elected municipal president.

Police Seize Over 1 Ton of High-Grade Cocaine

PA1212153792 Mexico City XHTV Television Network in Spanish 0200 GMT 11 Dec 92

[Text] Aided by the Federal Judicial Police, the Army, and highway police, drug policemen seized over one metric ton of high-grade cocaine at the Merida, Yucatan, International Airport. This is the largest seizure so far in the country's southeast.

Jorge Lezcano, state delegate of the Attorney General's Office, reported that the two crew members of the plane that overflowed the city of Merida after arriving from South America have not yet been found but the police are in pursuit.

Belize

Cane Farmers Riot; Police, Army Intervene

FL1212011492 Bridgetown CANA in English
2151 GMT 11 Dec 92

[Excerpt] Belize City, Dec 11, CANA—Soldiers and police were called in Thursday to break up a riot in the northern Belizean town of Corozal where windows were smashed and car-tires punctured as 1,500 cane farmers, angered by increased handling charges at the Belize Sugar Industry (BSI), demonstrated in the town centre.

Police reported that at about 4 PM, farmers who were gathered outside the headquarters of the Belize Cane Farmers Association (BCFA) were "throwing rocks at the building, damaging windows and doors and some of the association's vehicles."

"The farmers punctured car tires, but did not touch anyone," said George Henry, director of the Libertad branch of the BCFA. Henry also said that soldiers and policemen chased cane farmers from outside their district headquarters to clear the area of rioters.

Reports say that women and children were evacuated from the town centre and police from Orange Walk while members of the Tactical Services Unit were called in at about 6 PM to help local police stop the rioting. It was not until 10 PM that night that the situation was under the control of the authorities.

The riot started after the executive board of the Belize Cane Farmers Association refused to attend a meeting to discuss a recent increase of 12 percent in handling charges at BSI. Ramon Aban, chairman of the Belize Cane Farmers Association, said that despite the attendance of 1,500 BCFA members, "I did not attend the meeting because it was not an official meeting." [passage omitted]

El Salvador

Merino Says FMLN May Not Meet 15 Dec Deadline

PA1112213892 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Dec 92

[Text] Acting President Francisco Merino has mentioned the possibility that the Farabundo Marti National Liberation Front, FMLN, may not destroy all its weapons should delays in the process continue. According to Merino, if the FMLN does not destroy all its weapons before 15 December, it will continue to be a threat to society.

Merino said preparations continue normally for the formal signing of the end of the armed peace, but he expressed doubts that by 15 December the FMLN will have completed the total destruction of its weapons.

[Begin Merino recording] We hope the process will not be jeopardized by the attitude assumed by the FMLN, which has been delaying compliance with its commitments. Should the delays continue, the FMLN will not be able to complete the destruction of the weapons it used to terrorize the Salvadoran people by 15 December. [end recording]

Merino noted that if the FMLN does not complete the destruction of its weapons it will mean that it will remain an armed organization and therefore will not be able to join political life.

[Begin Merino recording] Aside from the preparations for 15 December, I think it is important that people realize that if the FMLN still has weapons after that date, it will continue to be a terrorist and irregular force. Its incorporation into the political process cannot take place until it is thoroughly and absolutely confirmed that it will no longer use violence as a means of political expression. [end recording]

Merino headed a ceremony on 10 December at the Ilopango Military Base commemorating the Salvadoran Air Force Day.

Shafik Handal Contradicts Merino

PA1212130892 San Salvador Canal Doce Television in Spanish 1830 GMT 11 Dec 92

[Report by Elvin Gongora]

[Text] Jorge Shafik Handal, leader of the Farabundo Marti National Liberation Front [FMLN], has said the destruction of weapons is a technical process verified by the UN that has nothing to do with the political considerations expressed by Vice President Jose Francisco Merino Lopez. The FMLN leader felt the remarks by Vice President Merino are confused and are totally removed from reality, as the official is confusing technical and practical aspects with political conclusions.

[Begin Shafik Handal recording] The only thing we can ask, and this is something we could really ask the UN, is how is this a process from a technical and practical standpoint. One thing is not related to another. He is associating some technical and practical aspects with political conclusions. That is typical of Francisco Merino. [end recording]

Shafik Handal said the peace process is taking place in a normal manner, and the two sides are striving to reach the 15 December deadline by simultaneously complying with the agreements to meet the deadline contained in the last agreement with the UN secretary general.

[Begin Shafik Handal recording] The characteristic of the agreements in this final phase, in line with the timetable the UN secretary general established, is that the compliance of one side is contingent upon compliance of the other. That is expressly stated. We are striving so that the two sides comply well and do their part. [end recording]

Shafik Handal made those remarks after he participated, along with Mario Samorano, Roberto Canas, and National University President Favio Castillo, at a university forum entitled "5 December, El Salvador at the Crossroads of Peace."

UN Oversees Antiterrorist Battalion Demobilization

PA1212221892 San Salvador LA PRENSA GRAFICA in Spanish 12 Dec 92 p 4

[Excerpts] The UN Observers for El Salvador [ONUSAL] and Colonel Orlando Carranza, commander of the 6th Infantry Brigade, have presided over the demobilization of the Lieutenant Oscar Roberto Tario Nolasco Antiterrorist Battalion. [passage omitted]

Col. Carranza, in response to a reporter's question, said the ad-hoc and truth commissions not only were very biased in favor of the Farabundo Marti National Liberation Front and other extremist groups, but they also failed to respect requests for confidentiality and made public information of a personal nature that is being used to negatively affect officers of various ranks.

Col. Carranza also referred to publications involving a Spanish Jesuit priest who has been "challenging" the defense minister to a "debate." The colonel characterized this as shameful meddling in Salvadoran affairs.

Assembly Approves New Judiciary Council Law

PA1212223892 San Salvador EL DIARIO DE HOY in Spanish 12 Dec 92 p 5

[Excerpt] The Legislative Assembly has approved a new Judiciary Council law and reformed the judicial career service law, thus satisfying the agreements reached between the government and the subversives.

The legislative and political commissions submitted to the Legislative Assembly plenum a document approving the replacement of the Judiciary Council law, which has been in force since 5 October 1989, and the judicial career service law, which was enacted on 12 July 1990.

Rafael Moran Orellana, secretary of the Legislative Commission, told the plenum that the council will now include two lawyers proposed by the Supreme Court, three lawyers from the different bar associations, a representative of the School of Law of the National University [Universidad Nacional], two lawyers from the schools of law of the various private universities, an appellate court magistrate, a lower court judge, and an Attorney General's Office representative.

This was the main point over which the various political parties could not reach an agreement to approve the law. Some parties did not want the Supreme Court to have a representative in the council. They agreed, however, to allow the highest court in the country to propose two candidates. [passage omitted]

Guatemala

Government Turns Down Yeltsin Offer To Mediate

PA1212184492 Hamburg DPA in Spanish 1717 GMT 12 Dec 92

[Text] Guatemala City, 12 Dec (DPA)—The Guatemalan Government has turned down Russian President Boris Yeltsin's offer to mediate in the peace talks with the guerrillas, Manuel Conde, head of the government delegation to the talks, has reported.

Conde said Guatemala appreciates Yeltsin's offer but the mediation is incompatible with the Oslo Agreements, which marked the beginning of the negotiations with the Guatemalan National Revolutionary Unity [URNG], an organization comprised of guerrilla groups operating in the country.

The talks between the government and the guerrillas reached a standstill because the parties were unable to reach a consensus on the difficult human rights subject. The latest meeting was held in Mexico in August 1992.

Various Organizations Protest Economic Measures

PA1212173492 Guatemala City SIGLO VEINTIUNO in Spanish 11 Dec 92 p 6

[Text] A march organized by Guatemalan grass-roots organizations in the afternoon of 10 December caused disorders in the center of Guatemala City. Demonstrators painted slogans on three patrol cars, on a vehicle of the Mobile Military Police (PMA), and on the walls of the National Palace and the police headquarters.

The demonstration was headed by orphans; members of the Mutual Support Group (GAM); Association of University Students, AEU; Conavigua [expansion unknown]; and others to protest the economic and social measures implemented by the government of President Jorge Serrano. The march passed in front of the Police Directorate, where demonstrators painted slogans against the government on walls and patrol cars.

Near the Enrique Gomez Carillo Park, the protesters stopped a PMA pickup in which five soldiers were traveling and covered it with slogans. At first, the soldiers tried to defend themselves and prevent the painting of the vehicle, but when they realized they were surrounded by a large number of people they decided not to take any action.

A group of riot policemen came out to the building's parking lot and threatened several journalists who were taking pictures of the demonstration; they also mistreated some of the protesters. A few minutes later, the policemen returned to building without any further incidents.

The march continued through Sixth Avenue in Zone One and ended at the Central Plaza, where demonstrators also painted slogans on the front walls of the National Palace.

The demonstration began at 1630 [2130 GMT] in El Trebol and continued along Bolivar Avenue toward the Central Plaza, where leaders of labor, grass-roots, and student organizations delivered several speeches.

Some of the demands were in relation to a possible increase in urban transportation fares, the liberalization of fuel prices, human rights, and respect for labor and grass-roots organizations.

The speakers expressed their support for Rigoberta Menchu who received the 1992 Nobel Peace Prize in Norway on 10 December. The demonstration was also organized to commemorate Human Rights Day and to mark the beginning of the International Year of Indian Peoples.

The Committee of Peasant Unity (CUC) protested the fact that "during the past few months our communities have been threatened and forced to again create the Civilian Self-Defense Patrols, PAC." Other organizations that participated in the march were the Labor and Popular Action Union, UASP; Conavigua [expansion unknown]; National Council of Displaced Persons in Guatemala, Condeg; CERJ [expansion unknown]; Peasants of Cajola; Stecsa, Stinca, Lunafil, Sitrabanvi [expansions unknown]; Mortgage Credit Union; National Federation of State Workers Unions, Fenasteg; National Association of Middle Level Teachers, ANEEM; STEG [expansion unknown]; and the AEU, among others.

Meanwhile, thousands of workers of the General Directorate of Roads on 10 December participated in another march to protest the abrogation of the Law on Economic Compensation for Years of Service and delivered a document on the subject to the Constitutional Court.

Nicaragua

Cesar To Start 'Counteroffensive' Against Executive

PA1212225892 Managua LA PRENSA in Spanish
12 Dec pp 1, 16

[Report by Felix Navarrete]

[Text] National Assembly President Alfredo Cesar announced on 11 December that he will resume a "worldwide diplomatic counteroffensive" in response to the executive branch's decision to freeze the National Assembly's funds, because the Assembly did not comply with the Supreme Court ruling.

Cesar stated that this "counteroffensive" will not end until 9 January, when the ninth legislature opens, and will continue until the government releases the Assembly's funds. [paragraph as published]

He said: "We may close some installations and administrative areas of the Assembly, but our political attitude will remain firm." He also disclosed that the Assembly's monthly disbursement is approximately \$500,000.

Cesar did not explain the nature of the "counteroffensive," but noted that, after 15 December when the eighth legislature closes, a congressional delegation will visit Europe, the United States, and South America to denounce the freezing of the Nicaraguan legislative budget.

Cesar warned that "the government could lose millions of dollars with each budget freeze," implying that the "counteroffensive" will consist of directing efforts to get the international community to freeze humanitarian aid for Nicaragua.

Cesar said such a "counteroffensive" also involves a meeting of the legislative delegation with donor countries and the EEC, which are vital sources of aid for Nicaragua.

According to the Assembly president, "the suspension of the budget," constitutes a flagrant violation of the budget law, since it establishes the deadline when funds are to be disbursed to the legislative branch, something that has to be done within the time allowed.

When asked if this "diplomatic counteroffensive" would hurt the Nicaraguan people, the lawmaker replied that the country's economic and social crisis is in large part "the government's fault, with or without his having to defend the legislative branch."

When referring to the possibility of a political solution to the Assembly dispute, Cesar voiced skepticism, although he did note that the different National Opposition Union [UNO] blocs are entitled to explore political solutions.

In discussing the likelihood of holding a dialogue with the government, the National Assembly president said he would only be prepared to discuss the dispute with President Violeta Barrios de Chamorro.

"I would agree to talk with her, but I do not plan to talk to anyone else," he noted, ignoring the authority of any other executive branch representative.

In addition, Cesar noted that during a meeting to be held on 19 December in Montelimar, the UNO bloc chiefs will select the slate of candidates to run in the 9 January elections to pick the new Board of Directors members.

D. Ortega Calls for Solution to Property Problem

PA1212213692 Managua BARRICADA in Spanish
12 Dec 92 pp 1, 12

[Report by Juan Jose Lacayo]

[Excerpts] Tola, Rivas Department—On 11 December, hundreds of inhabitants of this and other nearby towns

paid homage to Father Gaspar Garcia Laviana, the Spanish priest who fell while fighting the Somozist dictatorship 14 years ago after he joined the Sandinist cause to defend the poor. [passage omitted]

During the homage, Fathers Jose Francisco Alvarez Lovo, Ramon Sardina, and Santiago Giroux held an open mass in which they evoked the character and example set by Garcia Laviana. Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], attended the mass. [passage omitted]

Join Efforts

The FSLN secretary general delivered a message from the FSLN National Directorate and urged the government to solve the property problem in Nicaragua. Daniel Ortega called on the people to defend their land, homes, and cooperatives, so they are not taken away by the landlords and Somozists who have returned to the country. The FSLN leader called on the people to join efforts to keep Somozism from returning to Nicaragua and warned the peasants about those who try to fool them into selling their lands or take them by force.

Ortega called on the people to avoid clashing with the police or the Army, "because it would mean falling into the trick of the Somozists and landlords who want to see us shooting at each other."

He said the FSLN supported the negotiation, but stated that, since the government signs good agreements but does not fulfill them, those talks must be backed by a struggle.

Government Causes Violence

Commander Ortega accused the government of causing violence and disrespecting Nicaraguans' human rights, "because it only responds to violence when the people demand something."

As an example, he mentioned the case of 35 former soldiers who have been on a hunger strike for several weeks, and for whom the government has not fulfilled agreements signed over seven months ago.

He briefly reviewed the peoples' situation of serious poverty, which without jobs or medicines, he assured, promotes violence, poverty, and even crime.

Ortega stated that, during talks the FSLN has held with high ranking government officials, the officials try to ignore the people's hunger, misery, and desperation.

Finally, he posed questions about the General Value Tax and proposed that, instead, a 5 percent tax should be imposed and the proceeds used to purchase medicines the hospitals lack, which causes a tense situation for the doctors and nurses who demand a bigger budget.

Riot Police Remove FSLN 'Mob' From Cornap Premises

PA1212151492 Managua Radio Corporacion in Spanish
2200 GMT 11 Dec 92

[Text] At about noon on 11 December, the Sandinist riot police used tear gas to dislodge a Sandinist National Liberation Front [FSLN] mob which had forcefully entered a National Corporations of the Public Sector [Cornap] office and put personnel in danger of electrocution with terrorist actions.

The police report states that 50 persons were arrested in what is known as police processing and 30 others fled when the riot police arrived on the scene.

More than 60 Cornap employees were put in danger of electrocution by high-tension cables, which had been cut and were dangling above the heads of workers who refused to stop working. The crime of exposing human beings to danger carries a sentence of six months in prison.

Panama

Government Returns 42 Million Balboas in AID Funds

PA1112223992 Panama City EL PANAMA AMERICA
in Spanish 11 Dec 92 p 1

[By Juan Pritsiolas]

[Text] The Panamanian Government has found itself compelled to return 42 million balboas donated by the Agency for International Development (AID) presumably for having failed to comply with U.S. requirements for releasing such aid.

The Endara administration has provided no explanation for this but an unofficial source reported that AID had placed the funds in a special account that was opened for that purpose but later, after establishing that Panama had not finished fulfilling commitments set by the United States for granting the donation, demanded the return of the funds.

The source said that what has happened does not mean Washington wants to suspend the donation but that the Panamanian Government must meet the requirements.

The source warned that noncompliance with commitments could negatively affect the plans that an international financial organization has for disbursing 35 million balboas to Panama. This is an international financial organization with which Panama has normalized relations.

In spite of the information provided by this source, a U.S. Embassy official has said that the agreement with AID continues to be implemented according to the terms established between that institution and Panama. The official did admit, however, that the agency has asked

the Panamanian Government for additional information, but without saying what information was requested.

Before AID would release the 42 million balboas, Panama must present "evidence of having made acceptable progress" in the implementation of reforms in the public finance sector, in the privatization program, and in the labor, commercial, and mercantile sectors.

The funds returned by Panama are part of Agreement No. 525-0303 signed on 3 July 1990 by then Planning Minister Guillermo Ford, Foreign Minister Julio Linares, U.S. Ambassador Deane Hinton, and AID

Panama Office Director Thomas Stukel. The agreement was named "Program for Economic Recovery."

The donation was for 243.85 million balboas. Of these, 130 million were allotted to normalize Panama's relations with international financial institutions. The remaining 113.85 balboas were to be used on budget support programs.

The funds earmarked for the budget-support programs would be used to give priority attention to investments in the agriculture, health, education, justice, and natural resources sectors and to the infrastructure.

Argentina

UCD Supports Sending Troops to Somalia

PY1112135492 Buenos Aires LA PRENSA in Spanish
10 Dec 92 p 10

[Text] The Christian Democratic Union (UCD) has issued a communique in which it expresses its support and approval regarding the resolution issued by the UN Security Council that approves the use of force if necessary in rescuing the Somali people, "who are on the edge of extinction due to the lack of food and medicines due to the stealing carried out by armed gangs that prevents the distribution of food and medicines sent by all countries in the world."

"The Security Council's decision," the communique adds, "is a historic event that has a formidable projection that marks the crisis of an atomistic concept of international order. It represents an advance toward a legally organized supranational community approved by the national states that will be charged with the custody and promotion of world welfare, such as was envisioned by the Spanish theologians of the 15th and 16th centuries from Azpilcueta to Suarez and Victorica, Banez, and Molina when they created the unmovable basis of modern international public law that has an undoubted universal and Christian content."

"Within this order of ideas, the UCD hopes without hesitation that the national government, adjusting itself to a policy of generous cooperation with the very lofty purposes of the United Nations, will without vacillation promote the sending of a unit of troops for that noble mission."

Gonzalez Announces Sending of Troops to Somalia

PY1212141992 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1249 GMT 12 Dec 92

[Text] Buenos Aires, 12 Dec (NA)—Argentine Defense Minister Antonio Erman Gonzalez has confirmed that Argentine combat troops will be sent to Somalia, once the UN humanitarian operation is over, to contribute to maintaining peace.

The defense minister made these remarks during a news conference he granted yesterday to foreign correspondents accredited to the country; the remarks were published in the morning newspaper CLARIN.

"We have decided to contribute logistic support and a team of professional doctors who belong to the Armed Forces, and to send approximately 4,000 tons of food and medicines" to that African nation, the minister said.

To consolidate the sending of troops, following the current humanitarian operation, the executive branch must ask for congressional authorization.

Gonzalez said that "once peace is restored, the United Nations will resume its mission of preserving and maintaining the peace."

He added that "blue helmet troops will be sent again, and Argentina will be included to comprise a battalion to carry out a mission similar to that being carried out in Croatia."

Di Tella on UK Agreement, Situation in Somalia

PY1212175892 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0017 GMT 12 Dec 92

[Text] Buenos Aires, 11 Dec (NA)—Foreign Minister Guido di Tella today said that the Argentine and British positions on fishing in the South Atlantic have been "clarified," although representatives of the two countries agreed to postpone the signing of the agreement for next week.

Di Tella, who on 12 December will travel to the United States to participate in an OAS meeting, said that next week he will hold several telephone talks in order to reach a final agreement.

Speaking of other subjects, he said that during the OAS meeting that will begin in Washington on 14 December, Argentina will maintain its position of expelling non-democratic countries.

"Argentina will request the suspension of nondemocratic countries. We could say the Rio Group is a demonstration of democratization in the region," Di Tella said during a news conference that began after a two-hour delay at the Foreign Ministry.

Di Tella had first met with Deputy Foreign Minister Eduardo Petrella and with Foreign Policy Under Secretary Rogelio Pfliter, who told him that the signing of the agreement will be subject to the approval of the pending points from the meeting.

He said the difficulties regarding depredation problems and maintaining fishing resources in the South Atlantic "have been solved" and it has been agreed to carry out joint scientific research.

"This is the result of a change in Argentine foreign policy. For years several governments in power chose not to change the situation, but the British knew that their luck could not last forever," he said.

The foreign minister announced that the fishing permits for Taiwanese companies will be handed out next 20 December, while Argentina will continue to analyze the chartering requests from mainly Japan and Korea.

The chartering system of foreign ships was implemented last October through a decree signed by President Carlos Menem who managed to attract many Southeast Asian companies to Argentina.

As for the tense situation in Somalia, Di Tella said that he and the defense minister are studying (whether it is

more convenient) to send land troops, airplanes, medical assistance, or food." [no opening quotation mark as received]

"When one sees those images on television it is hard to accept that a human being can arrive at this point, because the problem in Somalia is mainly the difficulties existing in the distribution of food," he said.

Deputy Describes Menem as 'Bush's Puppet'

PY1112132092 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2119 GMT 10 Dec 92

[Text] Buenos Aires, 10 Dec (NA)—Luis Zamora, a deputy for the Socialist Workers Movement [Movimiento Socialista de los Trabajadores] (MST), today accused President Carlos Menem of acting like "(George) Bush's puppet," following his "despicable and [words indistinct]" decision "to send troops to Somalia."

Zamora stressed: "The United States does not intend to carry out any humanitarian action there; it intends to use aid to establish a beachhead in that Middle East region."

The legislator emphasized: "Menem also does not plan to help the long-suffering Somali people, he intends to reinforce with Argentine troops the U.S. role of world policeman. By acting as a White House puppet, Menem falsely hopes our country will be considered a First World country when it actually will become the Washington doormat."

Zamora urged "political parties, student centers, trade unions, and human rights organizations to implement an extensive campaign to prevent troops from being sent and to demand the (?immediate) U.S. [word indistinct] from the Somali people."

Movement Toward Socialism (MAS) leader Jorge Mera also criticized Menem's decision. Mera said: By sending troops, "Menem becomes an accomplice of the imperialist master who disguises the deployment of troops and warships under the approval of the United Nations."

Mera said: "Humanitarian aid operations must be guided by the Somali people. A Yankee military operation, seeking to occupy Africa, must not be permitted."

Nuclear Activities Pact Implemented With Brazil

PY1112152192 Buenos Aires TELAM in Spanish
0003 GMT 10 Dec 92

[By a TELAM special correspondent]

[Text] Rio de Janeiro, 9 Dec (TELAM)—The Argentine and Brazilian foreign ministers today implemented the nuclear safeguard agreement signed last December in Vienna by dedicating the Brazilian-Argentine Agency for Accounting and Control (ABACC) of nuclear materials. This bilateral organization will supervise the agreement's fulfillment.

A year ago Argentina and Brazil assured the international community about the peaceful purpose of their respective nuclear programs, and at the same time promised each other to safeguard the two countries' industrial and commercial secrets.

The agreement also was signed by the International Atomic Energy Agency [IAEA], which later cited the agreement as an "example to other countries" due to its "advanced characteristics," and because it considers it an extremely useful means to promote and prompt new agreements and relations in the commercial field.

The new organization dedicated today will have its own inspectors and will supervise "on site" the uranium enrichment plants in Brazil and Argentina, that is, the most sensitive plants.

During the ABACC inauguration ceremony, Argentine Foreign Minister Guido di Tella stated that important agreements—such as the one signed by the two countries—cannot be implemented unless there is an adequate supervision system, and noted that the signing of an agreement of this nature "demonstrates what is implicit," in referring to the two countries' intention to use their nuclear technology for peaceful purposes.

According to Di Tella, the signing and implementation of the agreement through the inauguration of ABACC will make it possible to "open new roads for technical cooperation, which were unfeasible in the past, by eliminating suspicions."

The rapprochement policy between Brazil and Argentina tightened in November 1990 when Fernando Collor de Mello and Carlos Menem signed the "Foz de Iguacu Declaration" establishing the opening of all nuclear plants to the other party, as well as a series of bilateral actions in the nuclear field.

In the agreement that refers to the use of nuclear energy for exclusively peaceful purposes signed in July 1991, the two countries promised to refrain from testing, using, producing, acquiring, or obtaining a nuclear bomb by any means, as well as establishing an accounting and control system for nuclear material.

Ultimately, the agreement signed in Vienna authorizes the IAEA to supervise "all" the plants and movement of nuclear components.

During the ceremony this afternoon, Brazilian Foreign Minister Fernando Enrique Cardoso, pointed out that the agreement reflects the will of the two countries to use nuclear technology for peaceful purposes and added that "these steps reveal the strength of the process of integration and understanding" currently under way between the two nations.

Cardoso also said that in August 1991, Brazil and Argentina, together with Chile, signed the amendment to the Tlatelolco Treaty that, in turn, allowed these two

countries to ratify the agreement, and commented that this agreement "is the most advanced nonproliferation instrument."

Di Tella and Cardoso agreed that the two countries' intention is to grant the ABACC the necessary funds to be able to perform the job on an international level and added that the organization was the result of wise decisions.

Country Joins Australian Chemical Control Group

PY1112221892 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1315 GMT 11 Dec 92

[Text] Buenos Aires, 11 Dec (NA)—The Australian Group, an organization made up of 22 countries the task of which is to promote the control of chemical exports in order to prevent their use as precursors for weapons, has admitted Argentina as one of its members.

The decision was made yesterday, following Argentina's approval of Decree No. 603 of April 1992 dealing with the export of sensitive technology. This decree took into consideration the standards provided for by the Australian Group for establishing those chemicals that require special licences for export.

The group, made up of Australia, Germany, Italy, Japan, the United States, Spain, Britain, and Switzerland, among others, was created as a result of control measures placed on the export of those kinds of substances which several Western countries began to impose on the industries of the sector in 1984, when Iraq was found to be using chemical weapons against Iran.

Among other provisions, the group agreed on a list of chemicals requiring special licences for export. Such chemicals can be used as precursors for agents of chemical warfare.

Condor-2 Missile Reconversion To Begin in Jan

PY1112202292 Madrid EFE in Spanish 1605 GMT
11 Dec 92

[Text] Buenos Aires, 11 Dec (EFE)—Argentine Defense Minister Antonio Gonzalez noted today that next year Argentina and Spain will begin the reconversion, for scientific purposes, of the Condor-2 missile project the South American country deactivated in May 1991.

During a news conference with foreign correspondents, Gonzalez pointed out: "In early January the missile components that can be reconverted for peaceful purposes such as space studies will be shipped to Spain."

This shipment will include solid-fuel engines, launchers, casings, and electronic guidance systems developed by the Argentine Air Force to build the Condor-2, which was financed by Egypt.

The reconversion of the missile project conforms to an agreement signed between the Argentine National Space

Activities Commission (CONAE) and the Spanish National Institute of Space Technology (INTA).

Gonzalez stressed that the Condor-2, a remote-controlled long-range missile capable of carrying a 1.5-metric-ton payload, "has been totally deactivated."

Gonzalez added: "Now we have begun a scientific research program with Spain in order to use all the missile's components that will serve that—and no other—purpose."

The cancellation of the Argentine missile program agreed with the wishes of the United States, the United Kingdom, and Israel, which fear a proliferation of this type of weapon among developing countries.

The British feared the possibility of Argentina using the Condor-2 to attack the Malvinas [Falkland] Islands, which the two countries fought over in 1982.

The Israelis feared the transfer of this missile's technology to Arab countries.

Argentina "wants to remove all conflict conjectures and the resulting arms races prompted by projects such as the Condor-2," the defense minister stressed.

In this regard, Antonio Gonzalez emphasized the signing of nuclear safeguards between Argentina and Brazil and an agreement signed by the two countries with Chile to prevent the proliferation of chemical weapons in this region.

These agreements "should be enhanced and should include other countries," the minister noted. He stressed that Paraguay, Bolivia, and Uruguay are about to join the agreement on nuclear weapons signed by Argentina, Brazil, and Chile.

The defense minister pointed out that "it still has not been decided" whether Spanish enterprises will handle the modernization of the 36 "Skyhawk" airplanes the United States will sell to Argentina "at bargain prices."

Nevertheless, Gonzalez commented that the contracting of Spanish enterprises "has some economic advantages" because it would be financed with "soft" loans (with low interest rates) included in the cooperation treaty that Argentina signed with the European country.

Gonzalez pointed out that "the type of configuration for the airplanes' electronic equipment is still pending," which is delaying a decision by Argentine authorities.

Cavallo Discusses Payments on Foreign Debt

PY1112155492 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2012 GMT 10 Dec 92

[Text] Buenos Aires, 10 Dec (NA)—Economy Minister Domingo Cavallo stated today in Japan that the Argentine effort to pay its foreign debt "will be eased because the resources obtained from privatization have been more than expected."

In a telephone conversation with a Buenos Aires radio station and referring to the \$800 million loan granted by the Eximbank of Tokyo, he said that it was more than expected because "they were talking about giving us \$600 million."

He added that Argentina insisted that the Japanese should loan \$800 million, and was successful. He said that in Japan there is a "very good climate of potential investors from the business, industrial, fishing, and tourism areas, as well as institutional investments in private or public bonds."

"Very soon we will see Japanese investments in Argentina," he said.

He added that payments to international credit organizations will be "much less than expected."

He explained: "Originally \$700 million was reserved from the privatization funds, but now it seems we will use \$350 million."

He added that this reduction follows "guarantees that have become cheaper following the rise in interest on U.S. bonds redeemable in 30 years. The price of those bonds has also dropped."

"The effort we will have to make with our own resources will be less," the minister said. He added that "privatization is generating more resources than expected."

He said: "The Argentine internal and foreign debt is being reduced considerably."

He explained: "This year the debt will be reduced by practically \$6 billion, while the expected reduction was \$4 billion."

He added that this is due to the higher price paid for the State Gas Corporation, which will allow us to reduce the debt by another \$2 billion." [no opening quotation marks as received]

"The Argentine foreign debt will be \$68.5 billion and not \$70.5 billion," he said.

Cavallo added that Argentina must immediately pay between \$300 and \$350 million "out of its own money to purchase the Zero Coupon Bonds and we must also pay the interest that we did not pay this year."

He said: "This year we paid less than 4 percent of the interest we agreed upon."

He said that said money "is already reserved, it is already assigned, and it will be paid in March."

He added that this year and next year "we will pay 10 percent of the interest, no overdue interest has been accrued, and we are achieving this with only 2 percent of national revenues."

He said that the 2 percent "represents some \$3 billion in total, including the interest we paid abroad plus the internal debt."

"Our country is paying a smaller proportion of its national revenues to service its debt," Cavallo said, adding that we pay less than that of countries like the United States, Germany, Italy, and Mexico.

Menem To Emphasize Social Action Projects

*PY1312190692 Buenos Aires TELAM in Spanish
1759 GMT 12 Dec 92*

[Text] Buenos Aires, 12 Dec (TELAM)—President Carlos Menem said this afternoon that his next three years in office will be particularly devoted to social action projects, as "there are now funds for that." He added that the development of the country "will depend on our skill in administering the resources we have obtained."

Menem made these comments in a speech delivered at 1745 at a meeting launching the Buenos Aires Menemist Movement. The meeting was held at a restaurant in the Quilmes neighborhood. President Menem left the meeting a few minutes before 1800.

Criticizes Radical Party

*PY1312203892 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1756 GMT 12 Dec 92*

[Text] Buenos Aires, 12 Dec (NA)—President Carlos Menem today reiterated his harsh criticism of the Radical Party [PR] and charged its leaders with "denigrating everything they touched."

He said the Argentine people are "fed up with so many lies, tired of the hypocrisy of some people, and tired of promises."

Menem demanded that PR members "stop making absurd and clumsy criticisms, particularly as it was they who sank the country into chaos, despair, and misery, and endangered democracy." He pointed out that "dollars are now exchanged directly for Argentine pesos, and this is the difference between Argentina now and how it was before."

The president made these comments during a meeting held in the Villa Itati District of the Quilmes neighborhood in Buenos Aires, also attended by Interior Minister Gustavo Beliz and Quilmes National Deputy Roberto Enrique Fernandez.

During the meeting, which was held in one of the poorest neighborhoods of metropolitan Buenos Aires, an agreement was signed by the federal government, Buenos Aires Province, and Mayor Anibal Fernandez of the Justicialist Party for filling in the La Cava lake.

In his speech Menem emphasized Interior Minister Gustavo Beliz' virtues. He said the minister is "young, skillful, and gifted." He then explained that he was

coming from the Children's Republic, in La Plata, where he had watched the beginning of a series of remodeling works within the framework, Menem said, of "the project left to us by a great president and teacher," in referring to Juan Peron.

At the Children's Republic Menem attended a ceremonial transfer of power from the Republic's president and governor, and said that the ceremony was "similar to those held by adults, except that it had simplicity and love, had no frauds or tricks, and was a ceremony as only children can perform."

Menem pointed out that during his administration the implementation of the settlement plan [plan arraigo], which "consists of recognizing the right of those who occupy a territory to that land," was accomplished and praised the recent transfer of land to indigenous Chaco Province peoples, as well as similar transfers conducted in Salta and Tucuman Provinces.

"We are not coming out with lies. The Argentine people are fed up with so many lies, tired of the hypocrisy of some people, tired of promises. We are transforming into reality what we learned with Peron: Better to act than to talk, and better to implement than to promise," said Menem.

Menem apologized "for his harsh words," and told public employees that "despite bureaucracy, the titles to the land have to be signed within no more than 90 days." His words were very much applauded. Menem then asked "Minister Beliz, Deputy Fernandez, and everyone else to help make compliance with this deadline possible."

He explained that he does not plan to "give anything away, because the people, no matter how poor, do not want charity. They want the opportunity to work, and to build through their own work." As an example, he mentioned the achievements of La Rioja Province while he was governor.

"I know we are having some difficulties, but we are overcoming the problems. Argentina is becoming a great nation, and when the time comes for the governor and for me to leave power, we will leave behind a country in which it will be worth living," Menem said.

He added: "Previously, whenever you received some australes, you exchanged them swiftly for dollars. Now those who have dollars are exchanging them for Argentine pesos. This is the difference between the country we had before and the one we have now."

Menem, whose speech was often interrupted by applause, called for "a little more patience, as we cannot make miracles." He added: "Let's not make absurd and clumsy criticisms, particularly from those who sank the country into chaos, despair, and misery, and who endangered our democracy."

"We cannot eat words; we can only eat as a result of actions. Don't give me the story that democracy provides

food, heals, or educates. These are pretty words, but democracy must be fed with the impact of actions," Menem said, clearly referring to former President Alfonsin's speeches.

He agreed with Governor Eduardo Duhalde that "we do not need any more promises" and then pointed out the achievements of Duhalde's administration, noting: "How can a man who comes from the interior of the country not help the federal government?"

Menem promised to pave streets and improve the lighting in the neighborhood, "because now there is money, and we can improve the welfare and happiness of our people."

The president clarified that he did not want "to politicize the meeting," but added that he was "forced to do so, as there are daily offences and attacks, in addition to a lot of lies from those who have done nothing." Referring to the PR members, he charged them with "denigrating everything they touched."

"We are doing the opposite: We are giving the people dignity. I am simply calling for patience, perseverance, hard work, energy, and courage. We will build the Argentina our forefathers dreamed of." The president then thanked "the teachers, the policemen, and the retirees," to whom he promised "fast solutions to their problems."

Menem asked "congressmen to approve swiftly the laws seeking to increase pensions and contributions which are being debated in Congress, particularly the laws that will create more jobs in the country," because only thus "will it be possible to make true the biblical saying that by the sweat of thy brow shalt thou eat bread."

After the meeting, Menem had lunch with the leaders of the Buenos Aires Menemist Movement at a restaurant on Calchaqui Avenue, Quilmes neighborhood. He was accompanied by Minister Beliz and Deputy Fernandes, who is one of the main leaders of the movement.

Former Senator Rejects Government Position

PY1312230592 Buenos Aires BUENOS AIRES
HERALD in English 12 Dec 92 p 1

[Text] (DYN)—Pressured by the Radical Party's National Committee, former Senator Juan Trilla yesterday turned down the government's offer to head the General Comptroller's Office.

Minutes before Trilla's announcement refusing the offer, the Radical Party had said it would not have any of its members working as officials in the comptroller's office so as to prevent the Justicialist administration from "using the opposition as an instrument to merely second the government's acts."

Trilla reported his decision not to be comptroller to Provisional Senate President Eduardo Menem, thanking him for the "great honour" the offer had meant to him.

In a communique issued by its national committee the UCR accused the government "of manipulating justice, breaking the law and cutting back on methods of republican control," on the doings of the government in the last three years.

The document does not make a direct reference to Trilla's situation. Sources close to the former senator had said on December 7 that he would head the comptroller's office but Radical authorities led by Senator Mario Losada finally advised Trilla not to take the post.

"We Radicals want to be included in" government control agencies "which are useful," the main opposition party's national committee said.

Trilla was offered the comptroller slot by Eduardo Menem at the same time the major Cabinet shakeup took place on December 2.

The comptroller's office will be a congressional agency and not a government department but days ago President Carlos Menem announced that "we're waiting for the senator's (Trilla's) answer."

Brazil

Training Planes Delivered to Colombian Air Force

PY1112015192 *Brasilia Voz do Brasil Network in Portuguese* 2100 GMT 10 Dec 92

[Text] EMBRAER [Brazilian Aeronautics Company] today delivered seven Tucano and two Bandeirante planes to the Colombian Air Force.

A \$40 million contract signed with the Colombian Government in January provided for the provision of 14 Tucanos and two Bandeirantes.

Today EMBRAER delivered seven EMB-312 turboprop Tucano training planes and two EMB-110 PIA Bandeirante planes.

According to the EMBRAER Press Department, the seven remaining planes will be delivered at the end of this month.

The Tucanos will operate at (?Piai) air base, where an EMBRAER-supplied flight simulator will be installed.

The Bandeirantes planes will be transferred to Bogota and will be used for transporting (?very important persons).

Military Requests 301 Percent Salary Increase

PY1412024592 *Rio de Janeiro O GLOBO in Portuguese* 13 Dec 92 p 3

[Article by Wilson Tosta]

[Excerpt] The Armed Forces officers' clubs are requesting from the federal government, a 301 percent salary increase beginning 1 January, 200 percent of which would be paid in December and deducted from

the January salary. In meetings where criticism of the salary equity law which was promulgated in July prevailed, the sector drafted a six-page document, including its index and the preamble. The document was handed over by Vice Admiral Victor Boisson, president of the Naval Club; General Nilton Cerqueira, of the Military Club; and Major Brigadier Octavio Araujo, of the Aeronautics Club, to the military ministers: Admiral Ivan Serpa, Navy; General Zenildo Lucena, Army; Brigadier Lelio Lobo, Air Force; and General Antonio Veneu, chief of the EMFA [Armed Forces Joint Staff]. The same document was sent to Military Household Chief General Fernando Cardoso. The objective of the document is to include the sector's request in the general readjustment to be granted to federal government employees, which will be granted before the end of the year.

According to the Armed Forces officers' clubs, the requested salary increase will compensate for the loss in salary purchasing power resulting from inflation in 1992. The indexes were figured out by the so-called Inter-Clubs Commission, which is comprised of three representatives of each officers' club, who are all retired colonels or captains of sea and war. The last salary increase to the military sector was granted on 1 September. [passage omitted]

Franco 'Not Planning' To Reshuffle Cabinet

PY0412170792 *Brasilia Radio Nacional da Amazonia Network in Portuguese* 0900 GMT 4 Dec 92

[Text] Civilian Household Chief Henrique Hargreaves has said that Interim President Itamar Franco is not planning to reshuffle his cabinet once removed President Fernando Collor's impeachment is voted on. Hargreaves confirmed that President Franco will address the nation immediately after Collor's trial.

[Begin recording] [Reporter Antonia Marcia Vale] Hargreaves said President Franco personally coordinates the government and there are no communication problems between him and the ministers. Hargreaves added: The president has never mentioned the possibility of reshuffling his cabinet after Collor's impeachment is voted on at the Senate. Hargreaves said Franco plans to address the nation immediately after the impeachment trial.

[Hargreaves] He will announce his plans, the situation in the country when he took office, what the country needs, and what, in accordance with the current possibilities, he plans to do. He has repeatedly said the government's priority is to meet the social needs of the country without overlooking the interests of the national economy.

[Vale] Hargreaves added that, in his speech, Franco will summarize his administration's achievements during the two months he has been president of the Republic. [end recording]

Government Proposed Economic Measures Listed

PY1012212592 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Dec 92 Economy Section p 3

[Text] The following are the economic measures the government has proposed:

- Restructuring of the Productive Area: Creating a competitive technological base in electronics, informatics, and telecommunications. Adopting new operation methods aimed at improving quality and productivity.
- Science and Technology: Developing a national science and technology system matching international standards of scientific and technological knowledge.
- Education: Developing education with a view toward acquiring the necessary qualifications needed in modern society.
- Infrastructure: Restoring and modernizing the transportation network; increasing electric power production increases; expanding the communication network; and negotiating the transfer of services to states, municipal districts, and the private area through privatization.
- Manpower: Supplementing basic education for youths, including professional training.
- Goods and Services: Promoting production, productivity, and the reduction of prices of basic commodities and services.
- Medicines: Promoting, through the private area, production of the main raw materials for the pharmaceutical industry.
- Modernization: Training in the national entrepreneurial area to promote flexibility and competitiveness.
- The poor: Promoting the access of the poor in outlying urban areas to education, health, employment, housing, and social security.
- Agriculture: Helping low-income farmers, especially in northeastern Brazil, have access to the market and to land, credit, and technical assistance.
- Culture: Preserving the cultural heritage and promoting culture and its social significance as a human need and as a factor for consolidation of the national identity.
- Environment: Rationally using natural resources and preserving the environment in order to ensure growing productivity of natural resources to the benefit of current and future generations, and improving the people's standards of living.

Franco Seen Procrastinating on Economic Decisions

PY1112002692 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Dec 92 Section 1 p 5

[Article by Flavia de Leon and Roger Ferreira from FOLHA's Brasilia office]

[Excerpt] A week after stating in Buenos Aires that his government is not paralyzed, President Itamar Franco has given another example that his administration will start moving only after Fernando Collor's trial in the Senate. Franco canceled a cabinet meeting scheduled this weekend. The meeting was expected to yield major government decisions, primarily in the economic area.

Planalto Palace has offered a poor explanation for the cancellation. According to the official explanation, the president remembered—almost 10 days after having set the date for the meeting—that he already had accepted another engagement for 13 December: He will attend a graduation ceremony of Navy officers at the Rio de Janeiro Naval School.

The real reason behind the cancellation is a different one: Franco decided to move the date of his first cabinet meeting closer to the date of Collor's trial. Planalto Palace confirmed yesterday that the new dates for the cabinet meeting are 19-20 December, during the weekend prior to Collor's trial, which has been set for 22 December.

This is the third time Franco has chosen to avoid initiatives that would shed light on his government's guidelines. Almost 20 days ago, he canceled a speech he was to deliver before the Chamber of Deputies. Fifteen days ago, he refused to touch on the economic plans of Planning Minister Paulo Haddad and Finance Minister Gustavo Krause at a meeting with ministers. Yesterday, he postponed the debate one more time.

The cabinet meeting's objective was to define a government program for the period following Collor's possible final impeachment. [passage omitted]

Economic Team 'Fears' Measures on Economy, IMF

PY1112160692 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Dec 92 Section 1 p 5

[Report by Sonia Mossri from FOLHA DE SAO PAULO's Brasilia bureau]

[Text] The economic team fears that, after the judgment on Fernando Collor de Mello's impeachment, President Itamar Franco will take measures such as pre-established wage increases and will harden [the position toward] the IMF. This concern was conveyed to a governor and congressmen linked to President Itamar.

According to the aforementioned governor, the economic team is concerned about the possibility that

Itamar will again introduce controls or pre-established prices, wages, and interest rates.

Economy Minister Gustavo Krause and Planning Minister Paulo Haddad are listening to expressions from entrepreneurial and financial market leaders fearing that, after Collor's judgment by the Senate, the president will unilaterally implement pre-established prices, interest rates, and wages. Some entrepreneurs also interpret that Krause's and Haddad's possible departure from the government would represent an unavoidable pre-establishment [of prices, interest rates, and wages].

Haddad and Krause are making an effort to calm the private sector over a fear of an orthodox shock in the economy (pre-established prices). They do not accept this idea and advocate the necessity of a fiscal adjustment to gradually reduce inflation and interest rates. Haddad and Krause will not remain in the government if Itamar chooses such an economic policy.

In various meetings with entrepreneurs, both Krause and Haddad are constantly listening to the private sector's concerns over a compulsory extension of the domestic debt if the president decides to change the economic team. In practice, the market speculates whether the government would be able to replace public debt notes on the redemption date with other securities with 10 to 20 year redemption periods.

The economic area describes this compulsory extension of the public debt as a disaster, especially since there is no fiscal balance. For 1993, the Planning Ministry expects a budget deficit of 2 percent of the GDP (gross domestic product), about \$8 billion.

During the past weekend, Haddad and Krause already selected some indicators to gauge Itamar's inclinations toward the economic policy: keeping or not keeping the CSN (National Iron and Steel Company) privatization auction for 22 December; curbing or not curbing public rates; and a signal on the resumption of negotiations with the IMF.

Krause feels more discomfort than Haddad, who has been receiving friendly treatment from Itamar during the past few days. Krause's permanence in the government is becoming increasingly difficult, especially after the problems with the approval of the fiscal adjustment by Congress and Itamar's disregarding of a short-term plan prepared by the Economy Ministry more than 30 days ago.

Stock Prices Drop Due to Franco 'Hesitation'

PY1212120792 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec 92 Economy Section p 1

[Article by Rolf Kuntz]

[Excerpt] According to estimates released by the Fair Financial Group, the wealth of shareholders dropped by \$14 billion—that is, by 27 percent—during the first two months of the Itamar Franco government. The market value of all

stocks in the stock exchanges dropped from \$52 billion to \$38 billion between the end of September and the end of November. Group director Alberto Alves Sobrinho said that on some days in November, the accumulated drop reached \$20 billion. According to Roberto Teixeira da Costa, the president of Brasilpar Financial Services and former president of the Securities Commission, this is just another example of "the classic Brazilian cyclothymia."

Acting President Itamar Franco's lack of definition has been considered the main reason for the drop. According to a commentary published in the Fair News bulletin, the market has been particularly affected by "the government's hesitation toward the privatization program" and the "fluctuations regarding price control." Other factors include the delay in negotiations with the International Monetary Fund and the delay in releasing the government program.

Alves Sobrinho said that the stock exchange situation improved in December, but "the market continues to wait for definitions." According to the financial director of a foreign bank, "foreign investors are not operating either." The stock exchanges are not losing foreign currency, but there are no new foreign investments either. Last month, Brazil received a net amount of \$133 million, which was officially destined for the capital market. Yet, according to the executive, the money was invested mainly in debentures. [passage omitted]

Two Groups Seen as 'Fighting' Over Economic Policy

PY1412020192 Rio de Janeiro O GLOBO in Portuguese 13 Dec 92 p 46

[From the "Economic Panorama" column by Miriam Leitao]

[Text] Two groups are fighting for power in defining the economic course of the Itamar Franco administration. On one side there are the economic area ministers, while on the other are the Planalto Palace officials, including Civilian Household Chief Henrique Hargreaves, Consultant General Jose de Castro, and Bank of Brazil Chairman Alcir Calliari, who belongs to Castro's group.

Something surprising is occurring in the first group: There are fewer discrepancies than were expected at the beginning, when power was distributed among several ministries. In addition to Ministers Paulo Haddad [Planning] and Gustavo Krause [Finance], Ministers Jose Eduardo Vieira [Industry, Commerce and Tourism], Antonio Britto [Social Security], and Walter Barelle [Labor] also feel themselves to be members of the "economic team." Haddad and Krause continue to draft a short-term program which insists upon the virtues of austerity, and deems a tight monetary policy the only possible policy to implement at the moment.

The second group is trying to develop new solutions to old problems. In one of the two documents he has already sent to interim President Itamar Franco, Calliari asserts that it is possible to substantially reduce the cost of the debt through

the gradual reduction of interest rates. The same group has been supporting the need to increase control over prices, and is entirely modifying the privatization program without the approval of the National Bank for Economic and Social Development [BNDES].

As a matter of fact, BNDES Chairman Antonio Barros Castro's attempt to hand the BNDES operational area to the Planalto Palace envoy, Vice President Alexis Stepanenko, has failed. Stepanenko wants to maintain the privatization policy as it is, and some say that what he really wants is to occupy the chairman's seat as a direct representative of the Planalto Palace group.

Senate Committee Approves Foreign Debt Agreement

PY1112014992 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 10 Dec 92

[Text] The federal Senate's Economic Affairs Committee today approved an agreement on part of Brazil's foreign debt owed to private banks. The agreement involves \$56 billion. The senators decided to approve the agreement, which the government signed in July. The agreement is tied to 95 percent of the 600 creditor banks agreeing to the payment option chosen by Brazil.

The agreement has six payment options, providing for terms ranging from five to 30 years, with annual interest of 4 to 6 percent.

The agreement was approved despite Sao Paulo PT [Workers Party] Senator Eduardo Suplicy's dissenting vote. Suplicy said he believes the agreement, like the last four foreign debt agreements, is not good for the country.

Suplicy said the country does not have currency reserves to honor its obligations.

The committee decision now will be voted on at the Senate plenary session, where Suplicy's vote will be considered again.

The port modernization bill will be debated on 15 December because committee members could not reach an agreement on the subject.

Official Approves Federal Savings Bank Reform Plan

PY1312222792 Rio de Janeiro O GLOBO in Portuguese 11 Dec 92 p 24

[Highlights of the "economic, financial, and structural reform program" for the Federal Savings Bank, CEF, as approved by Finance Minister Gustavo Krause, which is to be "entirely implemented" within "180 days"]

[Text] 1. Capitalization: Settlement of accounts among the CEF, the National Treasury, and the Central Bank, within 30 days. The CEF expects to receive \$1 billion.

2. Buildings Sales: Reinforce the program aimed at selling nonoperational CEF buildings within the next 30 days.

3. Modernization of the Organization: A project for the reassignment of personnel, to be drafted within the next 90 days, and affecting in particular the data processing sector.

4. Administration of Funds: Within 60 days, a working group will decide which measures will be necessary to book and administer separately each fund (the Severance Pay Fund, FGTS; the Compensation Fund for Salary Variations; the Social Development Fund; the Social Integration Program; and the Lottery).

5. Cost System: A cost per unit system will be created to measure regional operational development.

6. Administrators Period in Office: Within 60 days, the CEF will present a proposal to modify the length of administrators' periods in office. The administrators will be appointed by the president of Republic, and approved by the Senate.

7. Credit Risk in FGTS Operations: The CEF will draft a bill modifying Law 8036, which exposes the organization to credit risks in FGTS operations.

Ministers Hail Approval of Fiscal Reform Bill

PY1112142492 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 10 Dec 92

[Text] Finance Minister Gustavo Krause said the National Taxation System Committee decision to approve the amendment that Deputy Benito Gama proposed to the fiscal reform bill represents a victory for the government. The minister disliked only two points. The first one deals with the partial lifting of bank secrecy, and the second with the transfer of 20 percent of the provisional tax on financial transactions to the housing area.

Minister Krause said the amendment's approval proves there is a consensus between the executive branch and Congress:

[Begins recording] Congressional sovereignty must be respected. All this, however, has occurred within an atmosphere of dialogue in a search for a consensus. [end recording]

Social Security Minister Antonio Britto said the approval of Deputy Gama's amendment is a political victory for the government.

Liberal Party Expresses Support for Itamar Franco

PY0712125792 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 7 Dec 92

[Text] The Liberal Party [PL] has concluded its national congress in Brasilia by asserting it will decidedly support the government of President Itamar Franco. Contrary to the criticism of the behavior and style of Itamar Franco, the PL applauds the doubts and questioning expressed by the president. PL President Alvaro Valle said that the PL views with hope President Itamar's concern over the cycle of fuel price

increases, the costs of energy plants, and the social compensatory policies to combat hunger and misery.

Companies Failed To Pay \$18 Billion in Taxes

PY2811204492 Rio de Janeiro O GLOBO in Portuguese 27 Nov 92 p 23

[Text] Brasilia—Among the 4,310 large companies selected by the Federal Revenue Office to be monitored in the Great Taxpayers Project, only 10 percent correctly paid all taxes. With a monthly income of more than \$1 million (more than 10 billion cruzeiros) and representing 52 percent of all tax collections, those companies prevented the Treasury from collecting \$18 billion, which surpasses by far the prediction of collecting \$12 billion with the fiscal adjustment.

According to the Federal Revenue Office, the greatest tax evasion rate is observed in the areas of perfumes, distilled beverages, and refreshments, which do not pay the IPI [tax on manufactured products]. For each cruzeiro paid in taxes, three cruzeiros are evaded. In the case of the Finsocial [Social Investment Fund], for each cruzeiro paid by large companies, at least 1.63 cruzeiros are evaded. The parity is one cruzeiro per one cruzeiro in the case of income tax paid by companies and taxes paid on net profit, and it drops to half when paid in advance.

"The project to monitor the large taxpayers means a declaration of war on tax evasion, defaults, double accounting, and other mechanisms," the report states. According to secretariat Collection Coordinator Jose Alves, companies that are found in an irregular situation will receive a payment and explanation note. For those that fail to pay, special measures will be adopted such as preventing them from participating in public bids, cuts in public financing, and inclusion on the list of those who fail to meet contract terms, among others.

This work began to be developed in the beginning of the year, in Belo Horizonte, when some companies were selected for their economic-tax, accounting, and administrative efforts. The overall result found was that of the 54.42 percent of taxes paid by those companies—Finsocial, PIS/Pasep [Social Integration Program/Government Employees Welfare Fund], the IRPJ [corporate income tax], IR fonte [income tax paid in advance], and IPI—there was an evasion of 0.98 per each 1 cruzeiro collected.

Administration Prioritizes Reducing Unemployment

PY0812131692 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 8 Dec 92

[Text] The Itamar Franco administration intends to immediately reduce the unemployment rate in the country by 10 percent. There are currently 7 million unemployed people in the country. The government projects include retraining workers to adapt them to industrial automation processes and creating people's companies and workers' cooperatives.

Labor Minister Walter Barello said the priority is to combat recession and unemployment.

Collor Considers Himself Victim of 'Summary Trial'

PY1112214192 Madrid EFE in Spanish 1530 GMT 11 Dec 92

[Text] Brasilia, 11 Dec (EFE)—Fernando Collor, the Brazilian president who was temporarily suspended from power, has declared himself a victim of "a summary trial [ejecucion sumaria] and of a settling of political accounts," although he is confident he will be absolved from charges in the impeachment scheduled for 22 December.

When we are only 11 days away from the day of the impeachment process that began in September, Collor today harshly criticized, in an interview with a radio station, those groups represented in the Chamber of Deputies and the Senate.

"With this impeachment they had resumed the de facto court [tribunal de excepcion] unacceptable in a democratic state," the suspended president said. The 43-year-old suspended president added, however, that he will return to the presidency of the Republic.

Collor said his rights have been suspended in this process. He criticized congressmen's "hastiness" to issue the verdict that, according to all indications, will condemn him.

"Some judges and the senators who will try me already have condemned me," Collor said. He did not spare any criticism against Justice Sidney Sanches, chairman of the Supreme Court and the impeachment committee.

"They are severing my right to defense because the experts' testimony is important. This denial means fear of finding the truth," Collor said. He added that there is no evidence of the alleged corruption crimes of which he is accused.

Sanches had rejected two Collor petitions, one to object to 29 of the 81 senators who will vote on the impeachment and another for the reopening of the instructions to submit new evidence outside the established deadline.

On these two matters, Collor has submitted petitions to the Supreme Court. The plenum that comprises 11 justices will have to make a decision before 22 December.

"If they do these things to me, a president of the Republic, imagine what can happen to any common citizen who does not have that privilege," Collor said in the interview, during which he admitted that his hair has become grayish over the past two months.

He added that suffering and pain have characterized the period since he was suspended from power to be submitted to an impeachment and during which he has

personally conducted his defense from his mansion's library, located on the banks of Brasilia's Paranoa Lake.

"In the morning when I get up, I wonder whether this is just a nightmare or not. However, when I realize that it is real I look for more strength to face this very dramatic moment," he confessed.

Meanwhile, the Supreme Court and the Senate are getting ready for the historic impeachment session, which will be covered by approximately 1,500 reporters.

Invited to defend himself personally during the final deliberations, Collor said he has not yet decided whether he will attend them or not.

According to judicial sources, Sanches has informally consulted his Supreme Court colleague before making his decisions, and thus it is certain that the plenum will ratify them in their next rulings so that the date for the decision will not be postponed.

The plenum will not postpone the impeachment because it is known that it must "act politically in the strictest sense of the term," and to avoid greater risks of serious institutional crisis, one justice told the newspaper JORNAL DO BRASIL.

The extension of the "interim presidency" by Collor's successor, Itamar Franco, until the verdict is issued causes concern in the country's main political forces, and the Supreme Court is quite aware of those concerns.

The final impeachment session, which will be held at the Senate plenum, will begin at 0900 local time (1100 GMT) on 22 December and will last between 15 and 20 hours.

Quercia Offers Franco 'Non-Aggression Pact'

PY1112144092 Rio de Janeiro O GLOBO in Portuguese 10 Dec 92 p 3

[Article by Nubia Ferro]

[Excerpt] Brasilia—By complaining about those who criticize him, President Itamar Franco has obtained important results for his government. Having already obtained a truce from union leader Luiz Antonio de Medeiros, it was the turn of PMDB [Brazilian Democratic Movement Party] president Orestes Quercia who, on 9 December, stated that he is willing to sign a non-aggression pact with Franco.

On 8 December, Quercia received a phone call from Franco who complained about an article by Quercia that was published on 6 December in the newspaper JORNAL DE BRASILIA. The article stated that there were disagreements between the president and his ministers, and accused the government of being hesitant.

On 7 December Franco expressed his irritation over the Quercia article to several people, especially those who are close to the PMDB president like Transport Minister Alberto Goldman. He also complained to Senate leader

Pedro Simon (PMDB-RS) [PMDB-Rio Grande do Sul State]. He also considered answering through an article in the same newspaper. He told his adviser Augusto Marzagao to write an article, but later changed his mind. Finally at 1800 on 8 December he could not resist any longer. He telephoned Quercia to express his complaint.

"Everyone knows this is a definite government, only you do not believe," Quercia was told. Quercia was at the funeral of Dona Italia [Mrs. Italia Franco—Franco's mother] on 9 December in Juiz de Fora. [passage omitted]

Bahia Governor Criticizes Government's 'Slowness'

PY1112135092 Rio de Janeiro O GLOBO in Portuguese 10 Dec 92 p 3

[Excerpt] Salvador—Assuming the responsibility on 8 December for the construction of a stretch of the BR-116 federal highway, Governor Antonio Carlos Magalhaes criticized the governments of Itamar Franco and Fernando Collor for their slowness in resolving the country's problems.

He said: "There is a lack of men in the Federal Government, both in past governments and in the current one. No one tells the truth." The governor thus addressed the Sertanejos [the people of northeastern Brazil] who gathered in Praca de Euclides da Cunha, 315 km from Salvador, to observe the signing of the order for the construction of a 60 km stretch of the BR-116 (Rio de Janeiro-Bahia) highway that will link Euclides da Cunha with Tucano, one of the poorest regions in the state. [passage omitted]

*** Final Municipal Election Results Evaluated**

93SM0084A Rio de Janeiro O GLOBO in Portuguese 22 Nov 92 p 3

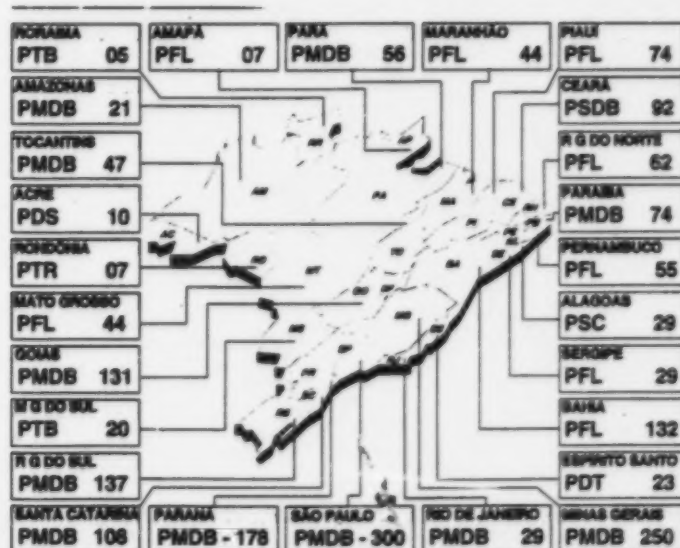
[Report by Robson Barenho]

[Text] So far, the 1992 elections have given us two rules that have no exceptions. First: [candidates backed by] governors lost in all the state capitals where final results are known. Second: the mayoral candidates put forward by parties that participated in the Collor administration since the ministerial reforms that occurred at the beginning of this year lost. Other important news from the ballot boxes: with the count finished in 4,784 of the country's 4,932 municipalities, we see that the two largest political parties, the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party], lost ground and that, based on number of city halls won, the PSDB [Brazilian Social Democracy Party], PDT [Democratic Workers Party], and PT [Workers Party] have advanced, as did five of the parties considered as "dwarfs."

The ballot boxes also determined the priorities on the platforms of the future mayors. Those elected by nine parties to the 24 state capitals where the elections have

The Parties That Won the Most Mayoral Contests in Each State

Os partidos que fizeram o maior número de prefeitos em cada estado



Rio de Janeiro O GLOBO 22 Nov 92 p 3

already been decided promise to heed three basic concerns, once in office: guaranteeing housing, food, and transportation to low-income groups. PT Mayor Patrus Ananias, for example, plans to guarantee housing for the street children and for 10,000 people who live in shacks on the outskirts of Belo Horizonte. He also wants to take over the transportation system. Manaus Mayor Amazonino Mendes, elected on the PDC [Christian Democratic Party] slate, announced he will distribute 100,000 grocery bags of food in his first days in office. Lidice da Mata, mayor-elect of Salvador [Bahia State], is ready to install television sets and VCR's in the schools.

Looking at the performance of individual parties, we can predict at least one serious problem for the proponents of election and party reform who, ensconced in the parties having the largest Congressional delegations, are thinking of wiping the small parties off the map. It happens that some of those came away from the polls a little bigger than they were, while some of the big parties shrunk.

The government's whip in the Chamber, Pernambuco Deputy Roberto Freire (PPS) [Socialist People's Party], spoke in serious tones on 3 October when the votes for the first round were being delivered to the polls, about the possibility of suppressing the small groupings. He spoke in the name of democracy and freedom of party organization, but one must also keep in mind that his party, the PPS, elected only one mayor: Sergio Grando, who will run Florianópolis [Santa Catarina State] beginning on 1 January. Only one other party was as unsuccessful: the PRP [Revolutionary Party of the Proletariat] elected its only mayor in Alagoas.

In comparison with the results of the 1988 municipal elections, the PSDB was the party that grew the most: more than 1,600 percent. In addition, it won the most mayoral races in state capitals: Salvador, Vitória [Espírito Santo], Teresina [Piauí], Porto Velho [Rondonia], and Macapá [Amapá]. The party that lost the most was the PL [Liberal Party]: more than 30 percent of the city halls it now controls will be turned over to other parties in January.

Parties That Grew		
Parties	Number of Mayors Elected	
	In 1988*	In 1992**
PSDB	18	317
PSD	02	35
PDT	192	377
PSC	26	50
PT	38	54
PSB	37	47
PST-PTB	08	171

*Data furnished by the Superior Electoral Court

**Data obtained from the Regional Electoral Courts, political parties, and state governments.

So far, the country's largest party, the PMDB, has elected one less mayor than the 1,606 such candidates it elected four years ago when both the number of municipalities and the electorate were smaller.

In Rio de Janeiro State, the PMDB won the capital city and expanded in the interior cities but its principal opponent, the PDT, also won more mayoral races in the state. The score of 24 to 15 obtained by the PMDB over the PDT in the 1988 elections has now changed to 29 to 27 city halls. PDT adherents gained ground over the PFL and small parties. The PT ran and lost in the second round of the elections in the capital city and that was about all it got. In all of Rio de Janeiro State, the new Mayor of Angra dos Reis, Luis Sergio Nobrega, was the only victorious PT candidate.

Who Lost

Five parties that committed themselves to the Collor administration at the beginning of this year came away with fewer city halls than they won in 1988. The PFL, PDS [Social Democratic Party], PTB [Brazilian Labor Party], PL, and PDC will have fewer municipalities to administer.

Parties That Lost Control of The Most City Halls		
Parties	Number of Mayors Elected	
	In 1988*	In 1992**
PDS	448	363
PL	239	165
PDC	232	211
PTB	332	303
PFL	1,058	965

*Data furnished by the Superior Electoral Court

**Data obtained from the Regional Electoral Courts, political parties, and state governments.

Paulo Maluf's PDS won 446 mayoral races four years ago, and 363 this time. It lost command of 83 municipalities, about 20 percent of what it had held. While the

second biggest force in Sao Paulo, the PDS still has solid bases of support in the Rio Grande do Sul State of former Deputy Nelson Marchezan, in Senator Espesidiao Amim's Santa Catarina State, and in Minas Gerais State.

The PFL also shrunk as it emerged from the ballot boxes. It elected 1,058 mayors four years ago and 965 in the recent elections, thus losing approximately 10 percent of the city halls it held. It won in only one state capital, Belem [Para State]. It garnered significant numbers of votes in Minas Gerais, where it elected 200 mayors; in the Bahia of Governor Antonio Carlos Magalhaes, who ensured the party 132 mayors; in the Piaui State of Minister Hugo Napoleao (74 city halls); and in Sao Paulo State (73 city halls). Governors Agripino Maia and Vilson Kleinubing also assured the party of a good performance in the states of Rio Grande do Norte and Santa Catarina. The PFL obtained more than 60 mayoral posts in each of those states, and it managed to win the largest number of city halls in Pernambuco, under the leadership of former Minister and Deputy Ricardo Fiuza and Senator Marco Maciel.

The PFL in Pernambuco lost the Recife mayoral election to the PMDB, having split over Governor Joaquim Francisco's break with the federal government, and although it has elected 55 mayors, seems to be hemmed in by the PMDB (33 mayors), the PSB [Brazilian Socialist Party] (27), and the PDT (23). It also faces the risk that Governor Joaquim Francisco will shift his loyalty and his clout to the PSDB, which is presently minuscule in that state.

Collor administration allies such as the PDS, PFL, PTB, and PDC also lost about 10 percent of the city halls they controlled. The PTB elected 332 mayors in 1988 and 303 in 1992; the PDC now governs in 232 municipalities, but will have 211 starting in January. It elected 120 mayors in Bahia and in Minas. Another 100 city halls were won by these parties in the states of Sao Paulo, Parana, Mato Grosso, Mato Grosso do Sul, and Rio Grande do Sul. In Maranhao State these parties elected 18 mayors and in Piaui, 16.

The PDC was carried into the mayor's office of Manaus [Amazonas] by former Governor and Senator Amazonino Mendes, and to the city hall of Palmas because of the leadership of the founder of Tocantins State, former Governor Siqueira Campos and his heir, Deputy Eduardo Siqueira Campos.

The PL lost more than 30 percent of the city halls it now occupies. It elected 239 mayors in 1988 and has now won 165, but none in the capital cities.

Small Parties Gain National Status

Eight parties can claim that they grew in the 1992 elections, now that the votes have been counted in 4,784 municipalities in all regions: the PSDB, PDT, PSC [Social Christian Party], the PSD [Democratic Social Party], and the now-united PST [Social Workers Party]

State By State: Status of Parties Based On Number of Mayoral Contests Won

Estado por estado a situação dos partidos em número de prefeituras																		
ESTADOS	PARTIDOS																	
	PFL	PMDB	PTB	PDS	PT	PDT	PSDB	PRN	PE	PSB	POC	PSE	PSC	PMN	PTR	PPS	PRP	PSD
Acre	02	06	-	10	01	-	-	-	-	01	-	02	-	-	-	-	-	-
Alagoas	14	10	-	06	01	-	07	-	08	01	05	-	29	-	07	-	01	-
Amapá	07	02	-	-	02	-	01	-	-	01	-	-	01	-	-	-	-	01
Amazonas	04	21	-	01	-	-	05	-	02	-	15	-	-	01	02	-	-	01
Bahia	132	65	63	28	02	09	13	02	54	03	32	06	05	01	-	-	-	-
Ceará	14	20	-	12	02	26	92	02	03	01	09	02	-	-	-	-	-	-
Espírito Santo	04	17	08	04	-	22	04	-	03	04	03	-	-	-	01	-	-	-
Goiás	17	131	-	07	01	-	03	13	10	-	15	10	-	-	23	-	-	-
Maranhão	44	15	18	-	-	06	08	-	-	-	05	05	11	04	-	-	-	-
Mato Grosso	44	11	24	05	01	12	-	03	07	-	08	-	-	-	02	-	-	-
Mato Grosso do Sul	12	18	20	08	-	06	02	-	02	-	02	06	-	-	-	-	-	-
Minas Gerais	200	250	61	42	15	31	72	22	-	-	50	-	-	12	-	-	-	-
Pará	06	56	04	10	-	08	03	-	02	-	12	12	-	-	-	-	-	-
Paraíba	33	74	01	11	-	22	09	10	06	-	-	02	-	-	-	-	-	-
Paraná	34	178	23	07	01	32	13	04	02	-	07	68	01	-	01	-	-	-
Pernambuco	55	33	03	01	02	23	02	07	03	27	02	10	01	-	06	-	-	-
Piauí	74	18	16	20	-	07	06	-	03	-	04	-	-	-	-	-	-	-
Rio de Janeiro	09	29	03	-	01	27	03	-	04	04	-	-	-	-	-	-	-	01
Rio Grande do Norte	62	36	-	12	01	03	04	01	27	01	02	-	-	-	01	-	-	-
Rio Grande do Sul	11	137	21	134	07	111	01	01	02	-	-	-	-	-	-	-	-	-
Rorondônia	03	06	-	02	03	05	03	-	04	02	-	-	-	-	07	-	-	-
Roraima	-	-	05	01	-	-	01	-	-	-	-	-	-	-	-	-	-	-
Santa Catarina	61	108	01	61	-	15	02	08	03	-	-	-	-	-	-	01	-	-
São Paulo	73	300	31	74	14	-	57	19	17	-	-	-	-	-	-	-	-	29
Sergipe	29	17	-	06	-	04	04	-	02	-	04	01	-	05	-	-	-	03
Tocantins	21	47	-	01	-	07	02	06	01	-	35	-	-	-	03	-	-	-

FONTE: TREs, partidos políticos e governos estaduais.

Fonte: TREs, partidos políticos e governos estaduais.

Sources: Regional Electoral Courts, political parties, and state governments.

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and PTR [Renewalist Labor Party]. This finding, based on the number of city halls won, not the number of votes, gives some parties the credentials of national organizations and reveals in others the presence and consolidation of influence by typically regional forces.

The PSDB attains national party status despite the fact that one-third of the city halls it obtained nationwide are concentrated in just one state, Ceara. The 1992 growth of the "toucans," when compared with their performance in the elections of 1988, is 1,666 percent. They jumped from 18 to 317 mayoral posts, and these were won in 24 states. Five of their victorious candidates become mayors of state capitals: Bahia, Espírito Santo, Piauí, Rondonia, and Amapa.

A greater percentage growth than experienced by the PSDB was recorded by the PSD: 1,700 percent. However, this party, which elected two mayors in 1988 and 36 this time, is practically nonexistent outside São Paulo. It elected 29 mayors in that state and seven in Sergipe, Rio de Janeiro, Amazonas, and Amapa.

Another "dwarf" party grew by 512 percent, also thanks to regional forces: the PTR, recently adopted by Federal District Governor Joaquim Roriz, had won eight city halls in 1988 and 48 this time. In practice, it has merged with the PST, which was established after the 1988 elections and adopted, also not long ago, by former

Parana Governor Alvaro Dias. The party that resulted from this merger will govern in 171 municipalities, most of them located—not by coincidence—in Goiás and Parana. Besides Roriz's and Dias's home states, the party has mayors in 14 other states.

Opting to rate party performance by the number of mayoral candidates elected makes the PDT one of the fastest-growing parties in 1992. Leonel Brizola's party lost in most of the municipalities in the interior of his state and in the mayoral race in Rio de Janeiro itself. It also lost the majority of the interior cities [in Rio Grande do Sul] and did not even reach the second round in Porto Alegre, capital of that state—where the PDT also holds the governorship—but it jumped from 192 city halls won in the 1988 elections to 377 in 1992—a 94.79 percent growth. From seventh place in terms of number of city halls, a ranking it won in 1988, it has now risen to third, behind—well behind—the PMDB and PFL.

At almost the same level as the PDT in terms of percentage growth, but having won far fewer city halls, we find the PSC, run by one of PC Farias's brothers, Deputy Augusto Farias. The elections gave it 50 city halls, 24 more than in 1988—and a 92.3 percent growth rate. We still do not know who will be mayor of Maceio, capital of Alagoas State. The TRE [Regional Electoral Court] has not yet decided what it will do about charges of election fraud there.

Near the bottom of the list of parties that gained in terms of number of city halls won are the PT and PSB. The PT lost the mayoral races in Sao Paulo and Vitoria, but held onto Porto Alegre and will take over the municipal administrations of Belo Horizonte, Goiania, and Rio Branco in January. It has grown by 41.2 percent in number of city halls, from 38 in 1988 to 54 in 1992. Now established almost everywhere in the country, the PT has elected mayors in 15 of the 26 states, but ranked only seventh in Sao Paulo State in terms of mayoral races won.

Of the 54 city halls where the PT will take over in January, 36 are in major states such as Minas Gerais (15), Sao Paulo (14) and Rio Grande do Sul (7). The other 18 are scattered through 12 states in all regions.

Ranking last in terms of growth was the PSB, the party of Deputy Miguel Arraes and Minister of Health Jamil Haddad. It grew by 22 percent: from 37 city halls won in 1988 to 47 in 1992. It elected the mayors of the capitals of Rio Grande do Norte (Natal), and of Maranhao (Sao Luis). However, its main power base really is in the interior of Pernambuco State, which follows Arraes's lead. There, the PSB elected 27 mayors.

PSDB Soars, Gains 299 City Halls

Two successive state administrations in Ceara State, commanded by Tasso Jereissati and by Ciro Gomes, were decisive this year in boosting the PSDB from its modest 12th place ranking in terms of number of mayors elected in 1988 into the group of five parties that will govern the largest number of municipalities starting in January 1993. It was a spectacular gain that the ballot boxes ensured the toucans. They came out of the 1988 contests with 18 city halls; now they will take over the mayors' offices in 317 municipalities.

More than half the municipalities in Ceara State will have mayors elected by the party of Governor Ciro Gomes and [former Governor] Tasso Jereissati, the national president of the PSDB. Of the 182 Ceara municipalities where it ran candidates, the party won 92. The toucans could not, however, win the race in the capital city of Fortaleza, which will remain under command of Antonio Cambraia's PMDB.

Politically speaking, the PSDB's most important victory occurred in Salvador with the election of Lidice da Mata, who participated in the runoff at the head of a coalition

formed to defeat Manoel Castro, the candidate backed by Governor Antonio Carlos Magalhaes. In Teresina and Porto Velho, the mayors-elect also come from the PSDB ranks: Wall Ferraz and Jose Guedes.

Still far behind the PMDB and the PFL, who together won more than half the mayoral races in Brazil, the PSDB has entered city halls in 24 states: one less than the two leaders. Acre and Mato Grosso were the only states where the toucans did not elect mayors, but the ballot boxes gave the party, in addition to an ample margin of control in Ceara, the third spot in Minas Gerais (72 city halls) and the fourth in Sao Paulo (57 city halls). In the latter state, stronghold of the party's biggest stars, the PSDB lost to the PMDB, the PDS, and the PFL.

* Scope of Informal Economy per Region Profiled

93SM0080D Sao Paulo O ESTADO DE SAO PAULO
(Economic Section) in Portuguese 13 Nov 92 p 8

[Article by Luiz Guilhermino: "Informal Labor Market Takes in 13 Million People"]

[Text] Rio—Today the informal economy takes in at least 13.94 million Brazilians, according to a survey released yesterday by the Brazilian Institute of Geography and Statistics (IBGE). The Brazilian labor force survey, conducted in 1989 and 1990, is the first to measure the universe of workers in the informal sector. These individuals represent 22.4 percent of the economically active population, salaried or not, which stands at 62.1 million people.

Martha Mayer, chief of the Department of Employment and Earnings, feels that the index of informal labor derived from the survey is too high. Workers with a signed work card represent 38.1 percent (23.63 million people) of the economically active population; military and civil servants represent 4.2 percent (2.59 million) and those who are self-employed account for 22.7 percent (14.09 million). There are also 8 percent (4.97 million) who work without remuneration, primarily in rural areas.

By region, the largest index of workers in the informal economy was found in the Midwest (30 percent), followed by the Northeast (29.1 percent) and the North (24.7 percent). The smallest concentration of informal workers is in the South, where 15.5 percent of the economically active population is in the informal sector, followed by the Southeast, with 19.9 percent.

Distribution of the Economically Active Population by Region (%)

People Employed in Primary Job	Major Regions				
	North	Northeast	Southeast	South	Midwest
Total	100.0	100.0	100.0	100.0	100.0
Employed	67.2	54.5	73.2	56.7	67.2
With signed work card*	35.2	22.5	48.4	38.0	32.1
Without signed work card*	32.0	32.0	24.8	18.7	35.1
Military/government**	7.3	2.9	4.9	3.2	5.1
Others (informal)**	24.7	29.1	19.9	15.5	30.0
Self-employed	23.9	29.9	18.3	23.7	20.5
Employers	4.9	3.3	5.0	4.5	6.7
Unpaid	4.0	12.3	3.5	15.1	5.6

* [Subsets under "Employed"]

** [Subsets under "Without signed work card"]

Source: IBGE - National Sample Survey of Households

Of the workers without a signed work card, 71.5 percent are concentrated in establishments considered small-scale, with up to 10 employees. In the group with signed work cards, 83.3 percent are employed in companies considered large-scale.

Another datum revealed by the IBGE survey was the disparity between the average wages of men and women. Women's earnings represented 57.8 percent of that received by men, among people holding only one job, and 55.2 percent among people holding more than one job.

From 1989 to 1990, the average real income of workers with a signed work card declined by 19.7 percent. In the informal sector, there was a drop of 12.9 percent in the average real income.

[Box, p 8]

Fifteen Million Receive Minimum

Rio—Of the 62.1 million employed people in Brazil, only 1.67 million (2.7 percent) have an income equal to or greater than 20 times the minimum wage (10.4 million cruzeiros) and 15.3 million (24.5 percent) earn up to the minimum wage (\$22,000 cruzeiros). Another 5.2 million Brazilians (8.4 percent) have no income, i.e., they work with relatives, primarily in agricultural activities or in small commercial establishments or urban industries.

By region, the South has the largest index of unpaid workers: 15.2 percent, followed by the Northeast, with 13 percent, and the Midwest with 6.1 percent. In the North, the percentage drops to 4.4 percent and, in the Southeast, to 3.7 percent. Of those who earn up to the minimum wage, 33.4 percent have been employed for fewer than two years.

* Significance of Election Results Discussed

93SM0080C Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 18 Nov 92 p 3

[Editorial: "The New Political Picture"]

[Text] In any city, large or small, the factors that determine the victory of one or another party are specific. This does not prevent one from observing that the Brazilian political party picture is tending to change after the second round of the elections. It would be an arduous task, but not an impossible one, to tally how many municipal governments each party won, out of the some 5,000 Brazilian municipios. However, the experts concentrate their analyses on the results in the capitals, and here it may be seen that, of the 20 parties that are definitively registered and another 15 that are provisionally registered, only nine parties divided among themselves the control of the city halls in 24 state capitals.

It is to the interest of the party leaders and state governors who were defeated in their strongholds to try to establish a division in the country between "Left" and "Right," giving the so-called Center-Left the major victory, inasmuch as the PMDB [Brazilian Democratic Movement Party], the PDT [Democratic Worker's Party], the PT [Workers Party], the PSDB [Brazilian Social Democracy Party], the PSB [Brazilian Socialist Party] and the PPS (the former Brazilian Communist Party) control 20 capitals and the so-called Right controls only four. Actually, in this classification, there is a great deal of regressive illusion, a vision of the world stamped with categories of the past. It would be extremely difficult, for example, to put the PSDB and the PT in the same boat, likewise the PFL [Liberal Front Party] and the PDC [Christian Democratic Party]. Rather than dividing the political spectrum between Right and Left, it is important in any political analysis to see how this or that party votes in the

Congress on such issues as the privatization of the ports, patent law and intellectual property, or the privatization of the state companies. The most obvious result of the elections is that no party can claim any position of hegemony on the national scene. No one could deny the growth of this or that party, for reasons that should be noted, but given the fluidity of politics and the challenges that await the party representatives in the Congress, it cannot be stated that this or that organization grew to the point of being able to decisively influence the political future in the months to come.

However, one thing may be said with some degree of certainty: political leaderships that were seen as nationally established were treated so badly at the polls in the capitals that they could hardly present the same face to the electorate in 1994. Brizola, Antonio Carlos Magalhães, Fleury, Helio Garcia, and Quercia himself are lesser figures today than they were yesterday. One merit may be attributed to the October and November elections: the renovation of the electoral leadership cadres (if they may be called this) is beneficial to the country. It remains to be seen if the victorious parties, i.e., those which elected mayors in the capitals, are up to the challenges that reality will impose on them.

The fact that only nine of the 35 parties won decisive victories in the capitals is proof that, because of the way the legislation is written, the Brazilian party picture does not correspond to social and economic reality. Hence, party reform is essential. If this is done, it will be a decisive step toward the reformulation of Brazilian politics in general, even before the April plebiscite regarding a presidentialist or parliamentarist system. Some steps have already been taken in this regard and it would not be surprising if, before long, the PFL and the PDS reached the conclusion that they should go back to being a single party (as the Arena [National Renewal Alliance] was in the past), in order to face—at the risk of having the regressive mentality of the colonels of the Northeast predominate in the composition—the threat perceived by some of their leaders, but possibly not real, that the “Left” came out of the elections stronger, and also to enable the two parties to increase their bargaining power at the federal level.

The continuing economic-social crisis will play an important role in the restructuring of the party system, particularly if the standard of reference for the assumption of positions is the opening of the market, the privatization of the economy, and the reformulation of the State—generally speaking, the program on the basis of which Fernando Collor de Mello was elected. The aggravation of the crisis, if it occurs (and there is no reason to believe that the recession will not turn into a depression unless a formula is found to recoup the losses suffered by industry and the services in recent years, and particularly the disappearance of jobs), will necessarily lead the parties that advocate state intervention in the economy to intensify their demagogic rhetoric. As a result, those who have a different vision of the process will seek alliances and candidates who can oppose a radicalization of the state intervention process. In this context—and the statements of political leaders and

analysts confirm our reasoning—Sr. Paulo Maluf could emerge as an electoral alternative for those who do not wish to give in to this type of demagogy. S. Sa. [sic] is aware of this, as are many others.

If this analysis is correct, the Brazilian political picture could change profoundly in the time to come, either with a presidentialist or parliamentarist system. On 15 November—and this is what we are trying to say—the data were entered for the 1994 elections.

* Pinheiro Supports Formation of Party Blocs

93SM0080B Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 17 Nov 92 p 10

[Text] Brasilia—Ibsen Pinheiro, president of the Chamber, yesterday supported the formation of large party blocs, which, in his opinion, would facilitate political negotiation in the Congress. Ibsen said the present tendency of the parties to group in blocs is positive and should be encouraged, principally with regard to the constitutional reform. He admitted that the PMDB [Brazilian Democratic Movement Party] could come to join a center-left bloc and lamented that the results of the municipal elections had not altered the picture of party diffusion that characterizes the current political structure of the country.

“The results of the municipal elections strengthened some parties but did not give political hegemony to any of them,” he said. According to Ibsen, the PMDB did well in winning 1,800 mayoralties, but did not do well enough to claim political command of the Congress. In the same way, according to Ibsen, the PT [Workers Party], the PDS [Social Democratic Party] (which won the municipal election in Sao Paulo), and the PDT [Democratic Worker's Party], which performed well in the interior, emerged stronger. “However, the party picture is still weak,” he observed.

Ibsen also feels that the election results indicate a need to restructure the party framework. He believes that the Congress will be in a position to pass a new party law this year. However, he thinks it will be very difficult to win approval for a new electoral system, particularly because, as Ibsen said, this legislation should be drafted after the result of the plebiscite on the system of government, scheduled for 21 April 1993, is known. “It makes no sense for us to pass an electoral law before we know what system of government the country will adopt starting in 1993,” he said.

Regarding the bloc formed by the PFL [Liberal Front Party], the PRN [National Reconstruction Party], the PSC [Social Christian Party] and the PTB [Brazilian Labor Party], which is defined as having a liberal-conservative leaning and is already being called a new “Big Center,” Ibsen commented: “This first configuration is only temporary.” The president of the Chamber believes that after his succession is decided, in February, this bloc should take on new aspects. In the wings, Ibsen is encouraging the creation of a Center-Left bloc that, in addition to the PMDB, would include the PSDB [Brazilian Social Democracy Party], the PDT, the PT, the

PCdoB [Communist Party of Brazil], the PPS [People's Socialist Party], the PSB [Brazilian Socialist Party], and the PV [Green Party].

* Second Round Municipal Election Results

93SM0080A Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 17 Nov 92 p 10

[Article by Maria Tahan: "Brazil Emerges from Elections with New Political Profile"]

[Text] The municipal elections which ended yesterday, except in Boa Vista (Roraima) and Maceio (Alagoas), interred once and for all the registered Brazilian trademark (minted in the 1970's by Francelino Pereira, then president of the Arena [National Renewal Alliance], and then widely circulated) of what has been up to now, always, the biggest party in the West. It is no longer. The 1992 elections were democratic; they put an end to the hegemony of a single party; they diffused the power, they traced the outlines of a new Brazil—a country more to the Center-Left, if you consider only the results in the capitals. If you take a broader look at the results, the country is circumstantially divided between the Left and the Right.

Politicians and sociologists are not very fond of this rigid ideological placement defined in terms of direction [left or right], but such a definition reflects the numerical reality revealed by the municipal map this year: on one side, the PSDB [Brazilian Social Democracy Party], the PMDB [Brazilian Democratic Movement Party], the PT [Workers Party], the PDT [Democratic Worker's Party], the PSB [Brazilian Socialist Party], and the PPS [People's Socialist Party] together took command of 20 of the 27 capitals. On the other side, the PDS [Social Democratic Party], the PFL [Liberal Front Party], and the PDC [Christian Democratic Party] took only four capitals. In Boa Vista, the election (with only one round) is scheduled for 29 November, but the PTB [Brazilian Labor Party] and the PDS are favored. In Maceio, the only certainty up to now with regard to the second round is that the PSB will be in it, against either the PFL or the PSDB.

Table 1

Cities in the Interior in Which There Was a Second Round

City	Victor
Duque de Caxias (RJ [Rio de Janeiro])	Moacyr do Carmo (PFL)
Nova Iguaçu (RJ)	Altimir Gomes (PDT)
Sao Goncalo (RJ)	Joao Bravo (PDT)
Sao Joao do Meriti (RJ)	Adilmar Arsenio (PMDB)
Contagem (MG [Minas Gerais])	Altimar Ferreira (PSDB)
Juiz de Fora (MG)	Custodio Mattos (PSDB)
Uberlandia (MG)	Paulo Ferola (PFL)
Feira de Santana (BA [Bahia])	Joao Durval (PMN)

Jaboatao (PE [Pernambuco])	Humberto Barradas (PTR)
Joinville (SC [Santa Catarina])	Wittich Freitag (PFL)
Londrina (PR [Parana])	Luis Eduardo Cheida (PT)

Table 2

Cities in Sao Paulo State Interior

City	Victor
Ribeirao Preto	Antonio Palocci Filho (PT)
Santos	David Capistrano (PT)
Sao Jose dos Campos	Angela Guadagnin (PT)
Sorocaba	Paulo Mendes (PMDB)

Table 3

Distribution of Votes (Number of Capitals Won by Each Party)

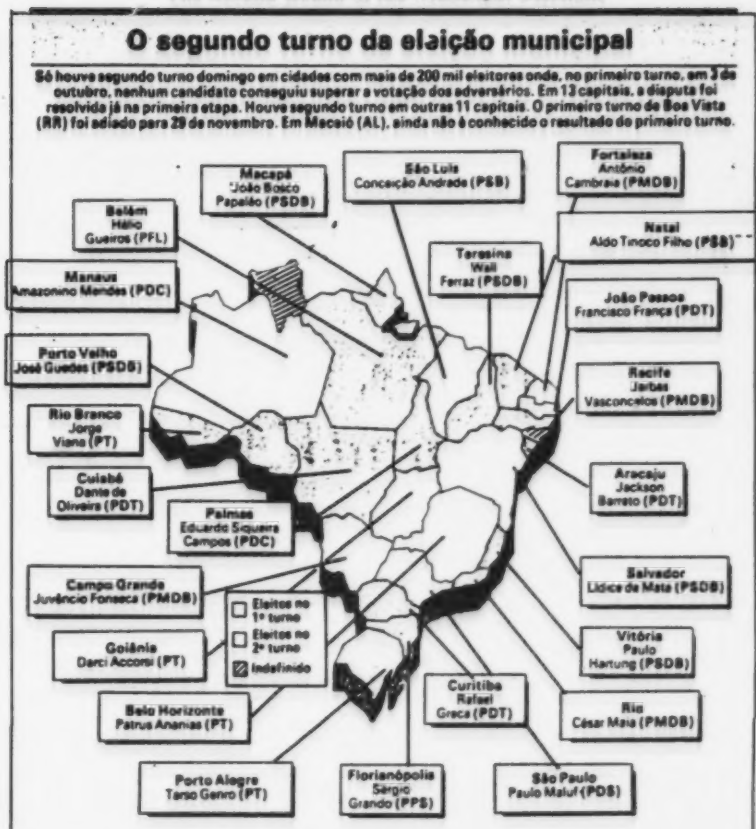
Party	Number of Capitals
PSDB	5
PMDB	4
PT	4
PDT	4
PDC	2
PSB	2
PDS	1
PFL	1
PPS	1

Brazil "has swung toward the left, center-left axis," claimed Deputy Jose Genoino (PT, Sao Paulo). Maluf's victory was the only one for the Right in the entire country, and Sao Paulo became the bunker of the Right," he argued. Sociologist Bolivar Lamounier echoed this analysis and went further. "The parties which emerged stronger from this election are undoubtedly the PDS and the PT, which will be a factor in next year's race." Luiz Antonio Fleury Filho pulled his own chestnuts out and added a new component to the fire, saying that "the biggest winners were the PMDB and the PT, although the PDS victory in Sao Paulo might come to knit the Right back together." Deputy Jose Serra (Sao Paulo), leader of the PSDB in the Chamber, agreed with the others, but he warned that the "Toucans" should not be forgotten, because "no party in Brazil has grown so much in four years; we won five capitals and almost 350 municipios in the interior."

Interior Strength

These analyses, emotional or not, also confirm the burial of another historic phrase, coined by former President Tancredo Neves, who referred to the "party of the hollows." Today there is no longer just one party label in the interior of Brazil. In the end, all the parties emerged from this election stronger in the small and medium

The Second Round of the Municipal Elections



There was a second round on 15 November only in cities with more than 200,000 voters where, in the first round on 3 October, no candidate won a majority of the votes. In 13 capitals, the contest was settled in the first round. There was a second round in another 11 capitals. The first round in Boa Vista (Roraima) was postponed to 29 November. In Maceio (Alagoas), the results of the first round are not yet known.

cities. This was the case with the PDT, which did not even figure in the second round in its big strongholds, Porto Alegre and Rio, yet increased the number of municipal governments under its command from 137 to 412. This analysis does not even slightly move Deputy Cesar Maia (PMDB), mayor-elect of Rio, a former member of the PDT and a former admirer of Governor Leonel Brizola: "I cannot say that Brizola died, because Sarney came back, but in this election he was defeated."

In Lamounier's opinion and that of Ney Figueiredo, president of the Cepac (Center for Research, Analysis, and Communication), Brizola was not the only major politician who emerged from this election with a rejection stamp. In this category, the two analysts include Bahian Governor Antonio Carlos Magalhães (PFL) and Orestes Quercia, former governor and president of the PMDB. "Brizola did not manage to carry his candidates

to the second round, either in Porto Alegre or in Rio, and he is still bogged down in the social upheaval in Rio de Janeiro," Figueiredo observed. "Quercia did not figure in the election and was involved in cases of irregularities," the expert noted. "The ACM [not further expanded] is paying a high price for its support to ousted President Fernando Collor and, while it won in the interior of Bahia, it lost in the capital," Figueiredo added.

Lamounier came up with a similar analysis and made a projection from the data for the coming year. "If, in the plebiscite on 21 April 1993, the presidentialist system prevails, on 22 April the 1994 presidential campaign will take to the streets, polarized between the PT and the PDS," the sociologist assured. "If the plebiscite goes the other way, it will be another ball game and the parties that are stronger in the interior will gain added weight

with the establishment of the district vote, whether it is pure or mixed," Lamounier added.

Before this, however, the final count of the ballots in the post-primary and second rounds should change the party profile in the Congress. Paulo Maluf, mayor-elect of Sao Paulo and president of the PDS, will call a meeting of the party this month in Brasilia to decide if the PDS will act alone, will get together with the PFL, or join the bloc (PFL, PTB, PRN [National Reconstruction Party], and PSC [Social Christian Party]). On the other side, as Jose Genoino anticipated, the Left is also talking about forming a bloc consisting of the PT, PSDB, PPS, PCdoB [Communist Party of Brazil, PV [Green Party], PDT, PSB, and possibly the PMDB, as long as it is not under the command of Orestes Quercia. "The PT is competent, Maluf is competent; in one way or another, they all are," Lamounier analyzed. "The stage is being set for anyone who enjoys strong emotions."

Chile

PDC Presidential Candidate Proclaimed

PY1412015492 Santiago Television Nacional de Chile
Imagen Internacional in Spanish 2330 GMT 13 Dec 92

[Summary] During an event held today at the National Stadium, 10,000 Christian Democratic Party, PDC, members proclaimed Senator Eduardo Frei the presidential candidate which the PDC will nominate to the Coalition of Parties for Democracy.

New PPD Congressional Bloc Leader Named

PY1212124692 Santiago Radio Chilena Network in
Spanish 1000 GMT 12 Dec 92

[Text] Victor Barrauto, the new PPD [Party for Democracy] congressional bloc leader, has said it is essential now, before the end of the government of President Aylwin, to complete and implement the constitutional reforms established in the coalition alliance platform. He pointed out that these reforms must be drawn up in the Chamber of Deputies, as they were presented by the coalition alliance, so that the opposition in the Senate will have the responsibility of accepting or rejecting them.

Barrauto added that this was a transition period and that now an implementation period must follow.

[Begin Barrauto recording, in progress] ...of beginning and implementing an important part of the project, involving the beginning of a new period of development and modernization of our country.

In my opinion, the Aylwin government has been characterized by the transition to democracy. Likewise, the next government will be characterized by implementing a so-called second transition, our country's transition to development and modernism. We believe this must be implemented right now. [end recording]

Victor Barrauto added that his party's bloc believes the image of Congress and congressmen has deteriorated because, in his opinion, the people expected too much from the legislative branch.

Poll Shows Number of Independent Voters Growing

PY1412132192 Santiago Radio Chilena Network in
Spanish 1000 GMT 14 Dec 92

[Text] The number of independents or people who do not support any political party in particular in Chile has increased considerably during the past few weeks, according to a recent poll.

The number of independents or citizens who did not prefer any political party last June amounted to 21 percent, in September to 32 percent, and in December to 38.1 percent.

According to the last poll conducted by Gemines enterprise, at LA TERCERA's request, the percentage of people that supports the various political parties tends to drop.

The party with major support is the Christian Democratic Party with 25.4 percent, followed by the Independent Democratic Union with 8.3 percent, and the Socialist Party and the National Renewal Party with 6.4 percent each. Then come the Party for Democracy, the Communist Party, the Radical Party, the Center Center Union, the Allendist Leftist Democratic Movement, the Social Democratic Party, and the Humanist-Green Alliance.

Each of the 653 people interviewed between 28 November and 8 December was asked his opinion of Patricio Aylwin's government: 66 percent said they support the current administration, 20 percent said they opposed the government, and 12.4 percent said they are undecided.

When asked who they thought will be the next president of Chile, 31.9 percent said Eduardo Frei; 23 percent said Ricardo Lagos; 6.2 percent, Francisco Javier Errazuriz; 4.3 percent, Hernan Bucci; 3.4 percent, Gabriel Valdes; 3.1 percent, President Aylwin; 1.7 percent, Sebastian Pineira; 1.5 percent each for General Augusto Pinochet and Jose Pineira; and 1.3 percent each for Evelyn Matthei and Gladys Marin.

Colombia

5th Brigade Uncovers Rebel Plan To Isolate Town

PA1312023392 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0030 GMT 13 Dec 92

[Text] According to the 5th Brigade, documents seized from the Army of National Liberation [ELN] and the Revolutionary Armed Forces of Colombia [FARC], have uncovered a plan to blow up all the bridges and roads to completely isolate the municipality of El Carmen de

Chucuri, Santander Department, in reaction to the arrest of rebel leader Francisco Galan [Gerardo Bermudez] and as a continuation of their year-end destabilization plan. Sources close to the 5th Brigade told the "TV Today" newscast this on 12 December.

[Begin recording of General Ricardo Cifuentes, 5th Brigade commander] They want to isolate and totally blockade this town with violent harassment operations. [end recording]

The ELN and the FARC have ordered the destruction of seven bridges over the (Ponsito) River that leads to town. They have already blown up two. They also plan to mine all the highways, blow up the municipal aqueduct, as they did one year ago, and energy towers. El Carmen de Chucuri, a Santander farming center, is a guerrilla objective because it has not accepted the rebels' laws.

[Begin recording of unidentified speaker] All those hoods are telling us they are going to give us a black Christmas. [end recording]

The Army stepped up surveillance on the town and increased the number of dramatic motorcades or military convoys, something seen for the first time in the country. This scene is normal every week here in the town. It is the only way the residents have of getting all their produce out and bringing in the food they need. With soldiers armed to the teeth, helicopter support, and a major military deployment, the food convoy covers the five-hour run from El Carmen to San Vicente de Chucuri. The guerrillas are on either side of the road, and they may attack at any time. Sandwiched between the Cascavel armored cars and Urutu scout cars are the trucks carrying cacao, coffee, and other products and the town's bus. On the way back, they bring mail and food.

[Begin recording] [reporter] What happens if you leave unescorted?

[First bus driver] They will burn the truck and kill me.

[Second bus driver] We must go with an escort, because the trucks get stolen and the drivers killed. The rebels have stolen cacao, burned vehicles, and killed drivers. [end recording]

Women and children leave the town aboard helicopters. One woman's father died three days ago, and she has been unable to leave the town to attend the funeral. This is the drama in El Carmen de Chucuri, a town besieged by booby traps and explosives. The town said no to rebels, and as a result, it has become a jail for its residents. Despite the threats, however, they remain here, steadfastly producing and eager to move their town forward.

Guerrillas Attack Pipeline

PA1312015392 Santa Fe de Bogota Inrvasion
Television Cadena 1 in Spanish 0030 GMT 13 Dec 92

[Report by Juan Roberto Vargas]

[Text] A new criminal guerrilla offensive has resulted in five injured policemen, destruction in two Santander Department municipalities, and thousands of lost barrels of oil. Quick Army reaction in Santander and Antioquia Departments prevented the rebels from achieving their objective of attacking the civilian population.

At least 100 members of the Simon Bolivar National Guerrilla Coordinating Board [CNG] attacked the town of Sucre, Santander Department early on the morning of 12 December. For four hours, the subversives attacked the police station, which was totally destroyed. Five policemen were injured, and they were taken to the capital. The rebels could not loot the local agrarian bank and had to flee when reinforcement troops arrived with rockets and grenade launchers.

Another CNG attack occurred in Concepcion, where there were no injuries, although there was extensive property damage to the police station and the mayor's office.

In addition, the pumping of crude oil was resumed the night of 12 December through the Colombia pipeline, which was blown up by National Liberation Army rebels on the night of 11 December. A total of 21 terrorist attacks have been reported against the pipeline. It has left a total of 17 persons killed since July 1992.

In addition, a new attack on the Cano Limon-Covenas pipeline was reported in Tarra jurisdiction, Norte de Santander Department, on the morning of 13 December. The attack destroyed a valve and forced the reduction of the pumping operations. Ecopetrol [Colombian Petroleum Enterprise] operators were sent to the area to repair the damage.

Within the framework of vast military operations and under strict security measures, including a ban on weapons, elections will be held in San Pedro de Uraba to elect the town's mayor to replace Aristides Caballero, who was murdered by guerrillas on 26 October. His father, Saul Caballero, has the best chance of occupying the post.

Army Increases Military Operations

PA1312024092 Santa Fe de Bogota Inrvasion
Television Cadena 1 in Spanish 0030 GMT 13 Dec 92

[Text] In view of the guerrilla threat to attack installations in Santander and Norte de Santander Departments, the Army has implemented an intensive military operation, which includes antiskidnapping commandos and the surveillance of buses and roads to preserve public order in that important economic zone.

The Army intensified its patrols throughout Santander Department with soldiers who are antiguerrilla experts. In the area of Tibu, units from Mobile Brigade No. 2 are searching for Perez, the priest, and the top National Liberation Army leaders.

The 5th Infantry Brigade has put to work the Antikidnapping Special Operations Group, which includes professional soldiers and UNASE [Anti-Extortion and Kidnapping Unit] officers.

Juarez Battalion soldiers are conducting patrols on highways and inside buses where they are escorting passengers, especially on the roads to the Caribbean coast, Cucuta, and Barrancabermeja.

The Army also started a campaign to invite guerrillas to turn themselves in and denounce their leaders.

[Begin General Ricardo Emilio Cifuentes recording] The time has come for these poor, confused citizens to turn in their weapons and surrender, so they can collect the ransom when their leaders are arrested. [end recording]

In addition, a special plan was implemented in Norte de Santander Department to protect the Cano Limon-Covenas Pipeline during the Christmas season.

Liberal Party Offices in Medellin Bombed

PA1312152292 Mexico City NOTIMEX in Spanish
1416 GMT 13 Dec 92

[Text] Medellin, Colombia, 13 Dec (NOTIMEX)—At least six medium-intensity bombs exploded on 13 December in six offices of the ruling Liberal Party [PL] in this city. [Santa Fe de Bogota TV in Spanish at 1700 GMT on 13 December in a similar report adds: "One bomb was placed in Medellin Mayor Luis Alfredo Ramos Botero's Conservative Union [Conservador Unionista] directorate headquarters. In addition, devices were placed in six Liberal Party headquarters: the offices of Congressmen Cesar Perez Garcia and Mauricio Zuluaga; the offices of Senators Alvaro Uribe Velez and Orlando Vasquez Velasquez; the office of President Cesar Gaviria supporters formerly managed by the late Senator Federico Estrada Velez; and the official Liberal Party office managed by Dr. Bernardo Guerra Serna."] No deaths were registered, but material damage was sustained, according to police reports.

The escalation of attacks, attributed by authorities to the urban guerrilla commandos, destroyed the offices of the movements New Liberalism, Popular Directory, and Liberal Convergence, located in downtown Medellin.

The explosion of the bombs, with at least 2 kg of dynamite each, destroyed windows and facades of buildings and caused slight injuries to two persons patrolling the area.

Police reported that a seventh explosive device, which had been placed at a nearby political office, was defused by personnel of the bomb unit of Medellin, the second largest city in the country.

Although no group has claimed responsibility for the attack, authorities explained that these actions were perpetrated by the so-called "Popular Militias," who operate in the capital of Antioquia Department.

In the last two weeks, the guerrillas unleashed a military offensive throughout the country as a reprisal for the capture of Francisco Galan, the third-ranking leader of the outlawed National Liberation Army (ELN). Galan's arrest took place in Bucaramanga, a city located 430 km northeast of Santa Fe de Bogota.

Cesar Perez, president of the Chamber of Representatives of Colombia, condemned the series of attacks against the offices of the PL in Medellin. He called on the population to support the measures adopted by the government to counter the actions of the rebels.

In November, President Cesar Gaviria decreed a state of internal disturbance in the country, which gave him legislative authority to face the offensive launched by the guerrillas.

Under the aforementioned authority, the president authorized military raids without a judicial warrant, banned the airing of messages and interviews with rebel leaders, and offered handsome rewards to those offering information on the whereabouts of rebel commanders.

Defense Minister Rafael Pardo Interview

PA12.2013392 Santa Fe de Bogota EL NUEVO SIGLO
in Spanish 7 Dec 92 p 10,11a

[Interview with Defense Minister Rafael Pardo Rueda by EL NUEVO SIGLO Reporter Arturo Menendez Vall-Serra in Santa Fe de Bogota; date not given—quotations marks as published]

[Text] Defense Minister Rafael Pardo Rueda acknowledged that the serious violence Colombia is experiencing will not be solved solely by the use of public force. He defended the decrees issued as a result of the current internal disturbances.

The minister, who was invited by EL NUEVO SIGLO to comment on the issues that fall under his responsibility, defended the judicial police powers granted to the Armed Forces and called on all Colombian citizens to report unusual situations as a mechanism to clamp down on violence and to cooperate with the authorities.

[Menendez] How are the internal disturbances decrees coming along in practice?

[Pardo] "The decrees have two fundamental aspects. The first entails delimiting criminal organizations. The second includes strengthening state institutions, fundamentally the justice system and the public force, which are struggling against criminal activities.

Included in the first "package" of decrees is a very significant element: the judicial police powers bestowed on the Armed Forces. In the second are several dispositions strengthening the ability to investigate and to control the illegal funds that are circulating and that may be used for further illegal activities. These are basically control powers bestowed to the Prosecutor General's

Office and the banking system, information and warning mechanisms related to the movement of funds.

Included as part of the current judicial framework, military judicial police units now receive instructions from the Prosecutor General's Office.

We agree with the Prosecutor General's Office on the need to appoint 26 prosecutors during the initial phase, and on the need to create a judicial police unit as part of each tactical unit or battalion.

In 1990, starting with the Statute for the Defense of Justice, judicial police powers were bestowed on the military forces. During that time period, members of the Armed Forces received overall training in procedures like gathering evidence and the general training basic to these procedures. Afterward, the Legislative Commission, the body responsible for approving or rejecting the state of siege measures, rejected the decree. Nevertheless, the Armed Forces are undergoing an overall training process.

The measure has been widely criticized and some sectors have described it as unconstitutional. We are unconcerned because Decree No. 2790 of 1990 was declared constitutional by the court and there are other precedents.

Some people are astonished by the fact that the Armed Forces may have powers formerly reserved for the Prosecutor General's Office. I do not see why this should be the case. The superintendents, customs department, and the traffic police all have them. Therefore, why should the military forces not have them?

Other measures related to public budget control, by means of special auditing, are currently being coordinated with the Government Ministry. They will be designed for departments that have very high operating costs and require more control. They should be ready by some time this week.

[Menendez] As relates to financial controls, why were these measures not made public before?

[Pardo] It was thought more appropriate to take those measures at this time, with the others, because they are all related to the same issue. They also form part of the same arsenal of proposals to face the problem."

[Menendez] Do the Armed Forces have the resources they need to work efficiently?

[Pardo] There are never as many resources as we would like, but in the past 18 months, especially recently, in the framework of the state of internal disturbance, a big effort has been made to increase the number of military and police units to better and directly control public order. If we compare Colombia's public force with that of other countries, ours is relatively smaller. This is why we are trying to increase our number of specialists.

In the military we want to increase our counter guerrilla personnel. In the police force we are going to increase our rural units. This will be done in the framework of the effort that will be made next year, based on the implementation of the state of internal disturbance.

Right now there are approximately 80 municipalities and 1,700 corregimientos that do not have a police force. This does not make sense. We are going to send policemen to 400 of those places.

[Menendez] Should the police continue to depend on the military forces or should it form part of another ministry as a civilian force?

[Pardo] First of all, the police is not a military force. It is an armed civilian department of the Defense Ministry. Right now being a part of the Defense Ministry has many advantages, including expeditious coordination with the military and sanctuary from political meddling in the managing of the institution.

In some very respectable democratic countries, the national police force is of military stock: The Spanish Civil Guard is under the Army, but in time of peace, depends functionally on the Interior Ministry, while organically forming part of the Defense Ministry. The same is true for the Italian carabinieri and the French gendarmerie. A bill now in Congress establishes a mechanism to produce in the police force, through a Superior Police Council, the dual condition of being both an organic part of the Defense Ministry and a functional dependency of the Government Ministry.

[Menendez] How would you compare the current war strategy of joint military and civilian action with the strategy applied by the Barco administration? Of what does this integral war consist?

[Pardo] In Colombia we have viewed the duty to maintain public order as one that involves the controlling of demonstrations and lawbreaking actions. We do not address the reasons why public order is broken. In this country there are regions where the disruption of public order is not something sporadic or something that happens on particular dates but something permanent, because there is no established social order. To say it simply: In such regions the disruption of public order is ongoing. These are regions where nothing is regulated; whomever has the weapons rules. In those parts of the country there is no established social order because there is no state authority. This situation creates social order problems.

Under such circumstances, the reestablishment of public order implies the reestablishing, or the establishing, of a social order acknowledged and respected by everybody. A restricted vision of the task of keeping public order does not contribute to this goal because it only considers the controlling of demonstrations or riots.

Military command posts like the one that existed in Uraba benefited from additional measures: The Corporation for the Development of Uraba was given the power to promote social development programs, resources were assigned to implement programs, and jurisdictional changes were made to provide courts of justice in the region.

As a result of one particular interpretation of the Constitution, all these measures, with the exception of the one involving the military command, were declared unconstitutional. A narrow vision by which the public force alone should control public order remained. This vision has changed the country. The essence of the state of internal disturbance is to abstain from making the reestablishment of public order depend exclusively on the public force. It places emphasis on the ability to promote justice and to establish the authority of the state in regions where the regulated social order, which permits the existence of an acceptable public order, does not exist.

At this time the granting of judicial police prerogatives to military forces is essential because it opens up the possibility of bringing criminal processes to courts of justice.

The authorities are working on other measures involving economic and social development for regions where public order is disrupted, because the social order situation does not favor such order.

[Menendez] Have there been protests concerning the handling of funds or war taxes?

[Pardo] Regarding the so-called "war taxes," last year's special contribution was entirely used to create new units, not to cover the deficit. Those funds were basically used to create several mobile counter guerrilla groups, battalions, and brigades. Those new groups are made up of persons who have completed their military service and who voluntarily remain in the Armed Forces as professional soldiers, receiving additional training. They are not tied to a specific region; they are sent where they are needed.

All the funds were used to create new units specializing in counter guerrilla activities, intelligence systems and mechanisms, and to train new National Police members.

Investment plans for the police have been discussed at the National Council for Economy and Social Policy and are public documents. We want the defense budget to be known, debated, discussed, and criticized, as a key factor to get solidarity. We cannot ask for solidarity without letting the people know how funds are being used.

We have also explained how special taxes are being invested. Our policy is not to withhold information. For example, one-third of the war taxes were used to create 44 intelligence networks. Public knowledge of the defense budget is fundamental to obtaining the people's

solidarity, and so people will know where funds are needed and how they are spent.

[Menendez] States of siege and internal disturbance have always been decreed in Colombia as a result of domestic problems. At the same time, while the government invested in submarines and Mirage planes, as if we were engaged in a foreign war, there was no money to buy boots, uniforms, and basic military supplies. Will there be enough funds for the war at home?

[Pardo] We have a five-year plan for the public force. That plan specifies how state funds will be used. Its priorities are:

- The people's well-being, as related to the standard of living and other conditions of officers, subofficers, soldiers, and agents.

- Allocation of funds for additional forces. During the past decade, although the number of forces increased, general expenses were not adjusted accordingly, so they appeared to be less per capita.

- Maintenance of military equipment used for foreign defense and domestic order problems. As defense minister, I cannot let equipment that has been purchased with so much sacrifice deteriorate because of a lack of maintenance.

- Purchasing new equipment for transportation, particularly helicopters, trucks, and communications equipment.

[Menendez] Some people believe that if one day our country should declare war on another country, the Constitutional Court could invalidate that action. Can there be war with such controls?

[Pardo] Recognizing the indisputable legitimacy of the actions carried out by the state and the public forces as the armed branch of the state is most important to stop crime and subversion. Respecting the controls democracy has established for government officials and citizens is fundamental to maintain the legitimacy of state actions. Asking the Prosecutor General's Office not to act is senseless, because its duty is to protect society and to supervise state actions in defense of that society. Controls are necessary, even if they create confrontations. The contrary would be lead to a situation in which the mechanisms created by democracy to defend society would not function, which would mean we would fall into a harmful illegitimacy.

[Menendez] What should be done when the government has plans for the public well-being that cannot be implemented because of these control mechanisms?

[Pardo] "Arbitrariness can be very negative, although some controls are necessary."

[Menendez] At what stage is the reshuffling of positions within the military to meet current requirements?

[Pardo] This week we are going to modify some aspects of the status of officers, sergeant majors, and soldiers to allow them greater action. The forces will have more officers and noncommissioned officers under their command so they will be better prepared to meet circumstances that arise. This is to facilitate and add flexibility to situations in which they are currently limited by military bylaws.

[Menendez] Will there be a new pay schedule for the Armed Forces?

[Pardo] This will be issued before the end of the year, although a deadline has not been set. The adjustment has been approved by a law with which the government must comply. This process is to be concluded within four years.

There is a tendency to believe that members of the Armed Forces are not promoted on merit. It turns out that in the Armed Forces there is a promotion system in which, within a certain time period, those who have merit are promoted. This is the only career where a yearly evaluation is carried out internally by those who know what the military career is, what attributes and virtues are required in a military officer. The nation should know why some inappropriate comments are made on this subject. The military career has to do with merit, from the day a soldier is sworn in until he leaves the service. This is perfectly regulated.

[Menendez] In declarations made in the defense of businessmen, it was stated that this issue was wrongly interpreted. What do you really think?

[Pardo] This is not only to defend what we have proposed. What we have proposed—within the legally operating private sector—is the organization of normally accepted and respected parameters as a contribution to cooperating with the authorities. This can be done with or without weapons; it can be done through communications mechanisms such as those we are promoting among groups of farmers, ranchers, and businessmen with public force units. These mechanisms should allow speedy communications on security issues. This government policy is not asking anyone to take the place of state action, nor is it suggesting that anyone should take in his own hands the repression of crime, nor the fight against subversion. This is a state responsibility that cannot be delegated.

[Menendez] How can the civilian population become involved? How can we convince them we are at war?

[Pardo] Many people want to know what they can do. Everyone has to do something every day to reduce violence. Violence is not only armed people, it is this whole process which fosters that mechanism to solve differences through the use of weapons. This is the cancer of Colombian society.

Things that are totally abnormal to us appear perfectly normal. The community has to understand that these

things are not normal; they must report them so that the public force can be more effective. One must be watchful and blow the whistle.

As far as what the community can do, it can take one step further each day to do away with violence. It can watch for abnormal behavior and report it to the authorities to pressure them into being more effective. The public force sees much less of what is going on than what 30 million Colombians can see.

[Menendez] Has the people's attitude been largely influenced by the failure of justice?

[Pardo] I have great expectations based on very specific true actions taken by the Prosecutor General's Office. This office has only been operating for five months and it has demonstrated with significant results that it can reduce impunity. This office has generated trust among Colombians that justice can function and that it can produce results.

Antikidnapping Law Approved; Signatures Pending

*PA1212151392 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1630 GMT 11 Dec 92*

[Report by Adriana Ayala]

[Text] With the approval of Congress for the antikidnapping law, Colombia has started to look for harsh measures to eradicate this crime. For the first time, a popular proposal, which had the support of 1 million signatures, has become a law of the Republic. Here are six of the principal measures contained in the new law, which caused much controversy in the Congress.

1. There will be sentences ranging from 25 to 60 years, depending on the seriousness of the crime.
2. There will be an administrative overseer appointed by the prosecutor general to safeguard the assets belonging to relatives of the kidnapped person to avoid payment of ransom.
3. There will be sanctions applied to national or foreign enterprises that pay ransom or extortion money.
4. There will be a prohibition of amnesty, or pardon, for kidnappers.
5. There will be a reduction of sentences for those persons who cooperate.
6. The House of Representatives introduced a measure at the last minute that establishes sentences for persons who hijack airplanes. [sentence as heard].

Also, there will be a reduction of sentence if the person is released without payment of ransom 15 days after the kidnapping occurs.

[Begin Senator Luis Guillermo Giraldo recording] I can tell you that there are countries with many more social

problems than Colombia which do not have kidnappings. Here we have degenerated. Kidnapping has become a way of life and a good one at that. This is because we have a mentality that deems it advisable to pay ransoms. [end recording]

The antikidnapping law, which is a statutory law, will require prior court approval. Once it is determined that the bill is constitutional, it will be submitted to the president for his signature.

Ecuadoran Official on Arms Trafficking, Accords

PA1112235692 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1200 GMT 11 Dec 92

[Telephone interview with Ecuadoran Foreign Minister Diego Paredes by unidentified reporters; place not given—live]

[Text] [First reporter] Good morning, Mr. Minister.

[Paredes] Good morning. On 10 December I signed several agreements with the Colombian foreign minister to facilitate the movement of people and goods between Ecuador and Colombia by land, sea, and air. Those agreements will allow true integration between our peoples. They will allow fluid trade, make it possible for our countries to trade enormous amounts of goods, and allow us to advance and deal with the continental and worldwide challenge posed by increasingly (?open) trade.

[First reporter] Mr. Minister, what information do you have on the accident in which several soldiers were killed, including a top Army officer?

[Paredes] A very regrettable incident, very unpleasant news. I was with the Colombian authorities and the atmosphere was festive—because this is a very important agreement for the two countries—when we received the news that a small Ecuadoran Air Force (?executive) airplane had been in an accident near Quito. General Andrade, the general commander of the Ecuadoran Army, was aboard the plane. I have information stating that he was with his son and that the pilot and surely the copilot were also killed. The small seven-passenger airplane crashed near Quito in a residential area.

[First reporter] Mr. Minister, was the accident caused by anything strange or was it simply human error? What are the authorities saying about it?

[Paredes] Sir, I do not have the details. I received the information last night. The defense minister was with me and he immediately returned to Ecuador, but I have no information other than what I have told you. I truly regret the accident and am thankful for the solidarity you and the Colombian people have expressed over this tragic accident.

[First reporter] Mr. Minister, weapons and war equipment are entering Colombia through your country and going to the clandestine subversive groups that are

promoting violence. What is Ecuador doing to prevent the flow of weapons entering Colombia through your border?

[Paredes] That has been the case. We have detected that traffic and we have taken measures. You may be aware of the fact that we have seized large amounts of weapons and explosives, some of which have been transported over Ecuadoran territory and along our coasts. Other items such as dynamite have been purchased in Ecuador, but the sale of explosives has been very seriously regulated. Every day we have more control over the situation and capture subversives and criminals who are promoting violence in neighboring Colombia. Colombia can rest assured that we will do everything within our power to control the situation and thus contribute to pacification and reconciliation among our Colombian neighbors.

[First reporter] Is there a possibility of establishing agreements or treaties in the near future that will prevent trafficking in weapons, explosives, and other items that may prove dangerous to our countries?

[Paredes] Such agreements already exist between the two countries. Ecuador, of course, is always willing to fine tune and perfect them and to establish contact and coordinate with the Colombian authorities because the struggle against guerrillas and drug trafficking cannot be done in an isolated manner. It must be done [words indistinct], it must be done in a joint and internationally coordinated manner.

[Second reporter] Mr. Foreign Minister Diego Paredes, how is your country regarding the rewards our government is offering for the capture of certain criminals, which have been extended to the Latin American countries where those individuals could be hiding?

[Paredes] The offer is known in Ecuador. Perhaps it should receive more publicity so the people—because these measures are intended for the people—the ordinary citizens are aware of the possibilities and can cooperate personally and directly. I must say that I believe this issue should receive a little more publicity in Ecuador. I believe the Ecuadoran authorities will cooperate, of course.

[Second reporter] Mr. Foreign Minister, it was very kind of you to grant this interview to Caracol and to discuss such issues as the agreements that are making integration a reality as well as the measures the Ecuadoran Government is adopting in the border areas to prevent the weapons trafficking, which has affected both Colombia and Ecuador.

First Trafficker To Surrender to Justice Reported

PA1112201492 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1630 GMT 11 Dec

[Report by Sandra Vergara]

[Text] Under strict security, Ivan Urdinola Grajales was taken to the District Attorney's Office in Santa Fe de Bogota from La Picota jail. During a private interview charges against him were read and a reduction of his sentence was established.

Ivan Urdinola was arrested on 26 April during the Robledo Two Operation by members of the Judicial Police and Investigation Directorate, Dijin. He is the first drug trafficker to negotiate his sentence with the government within the policy of surrendering to justice.

Urdinola faces charges for drug trafficking, money laundering, association to commit a crime, and illegal enrichment. The estimated jail sentence for those crimes is approximately 21 years. For the past seven months, Urdinola Grajales' lawyers have been negotiating a reduction of his sentence. Hence, it is possible that by observing good conduct, confessing his crimes, surrendering to justice, and turning in his properties, Urdinola Grajales could be behind bars only five years, possibly in a Valle del Cauca jail. In addition, his sentence would be reduced to four years and four months deducting the eight months he spent in La Picota Penitentiary in Santa Fe de Bogota.

Deputy Prosecutor General Francisco Cintura, Urdinola Grajales' defense lawyer Silvio Tamayo Tamayo, and a faceless judge were present at the interview, during which the deputy prosecutor read the charges against Urdinola, which he accepted or rejected. In five days, the regional judge will confirm the sentence after reviewing the case.

Paraguay

Diaz Perez Announces \$91.5 Million IDB Loan

PY1312205292 Asuncion HOY in Spanish
12 Dec 92 p 12

[Text] The Inter-American Development Bank (IDB) has granted Paraguay a \$91.5 million loan within the framework of the program of loans for various sectors. This information was disclosed at the end of the Council of Ministers meeting by Finance Minister Juan Jose Diaz Perez. The minister commented that this is the most significant loan granted by the IDB to Paraguay.

Minister Diaz Perez noted that several loans had been approved: one amounting to \$70 million, another to \$10 million, as well as a technical cooperation agreement amounting to \$11.5 million within the framework of the financial program of loans for various sectors.

The minister said: "The approval of this loan has taken a great deal of time. Usually it requires a previous agreement with the IMF, but in Paraguay's case, as you know, there has been no agreement with the IMF, and we have still managed to get the IDB to approve that loan."

Diaz Perez added that this is the "most significant" financial aid obtained by Paraguay, not because of the amount it involves, but because of the sectors it will cover.

In this regard he explained that it covers the overall modernization of the state in its various fields: social reform, tariffs reform, comprehensive fiscal reform, and privatization. Financially, with a new Central Bank charter, it will cover the areas of copyright, debureaucratization of corporations, and other important fields.

Regarding social reform, Diaz Perez explained that it does not entail dismantling the Social Security Institute, but rather the adoption of a new system to be implemented in our country in this field.

In referring to the \$70 million loan, Diaz Perez explained that it will be granted in three disbursements with the first one imminent, although it has not yet been decided for what sector it will be earmarked.

"The logical thing would be that it be earmarked for priority fields, such as the industrial and agricultural and livestock sectors. This will be decided by the economic team, and after we have the chief of state's final approval we will decide what quantities will be allocated to the various sectors."

As for the terms of the loan, Diaz Perez said that the interest rate is that usually charged by the IDB, which is around 8 percent on a 20 year basis. Diaz Perez underlined that what is significant about this loan is not the amount it entails, but rather what its application will mean for the country. Diaz Perez commented: "This will give us access to any of the resources currently available in Washington. We will have access to the Multilateral Investments Fund. In other words, this loan will open all the doors to which we may have access in Washington."

As to when disbursement of the loan will begin, Diaz Perez said that moves in that direction will start as soon as all the necessary conditions have been established, such as submitting the agreement to Congress next week for its approval.

Conditions for Membership in GATT Reviewed

PY1312222692 Asuncion NOTICIAS in Spanish
13 Dec 92 p 42

[Excerpts] Ambassador Luiz Gonzalez Arias has reported that as "the level of customs fees" on products that are traded with the United States has not been agreed upon, Paraguay's admittance into GATT has again been postponed. [passage omitted]

Ambassador Gonzalez Arias, who is Paraguay's permanent representative to international organizations—including GATT, which is headquartered in Geneva—and head of the Paraguayan Embassy in Switzerland, is in Asuncion on personal leave. He nonetheless visited the Foreign Ministry, where he reported on the primary aspects of his diplomatic activities in Bern and Geneva.

Questioned by NOTICIAS on the reasons for the postponement of Paraguay's admittance into GATT this year, Mr. Gonzalez Arias said that "the level of customs fees on products traded, especially with the United States, must still be agreed upon. Similarly, fees on some of the products traded with Canada must also be agreed upon."

Bilateral negotiations with the twelve EC members, and with Japan, Switzerland, Australia, and other countries, have already resulted in agreements on the level of customs fees. As a result it is expected that in the beginning of 1993 Paraguay will already have joined GATT, although negotiations within the framework of the Uruguay Round must be definitively concluded.

Peru

'Terrorist' Attacks Kill 3, Injure 31 in Lima

PA1212191492 Paris AFP in Spanish 1742 GMT
12 Dec 92

[Text] Lima, 12 Dec (AFP)—Three persons died and 31 others were injured during terrorist attacks perpetrated in several places in Lima on the night of 11 December, the police reported on 12 December.

Tomas Ramos and Julio Ramos were gunned down by an alleged Shining Path death squad at the Ramos' business in El Agustino. The mother of one of the victims was seriously injured.

The police reported that an attack on a grocery store was perpetrated by Shining Path members. This came in reprisal for the store's opening during the compulsory strike which the organization called for, under threat of death, on 18, 19, and 20 November to boycott the Democratic Constituent Congress [CCD] elections.

Fisherman Luis Galindo, 20, was shot to death by a coast guard vessel on 11 December under confused circumstances that are being investigated. The fisherman worked near the security zone surrounding the Navy station on the San Lorenzo Island, where Shining Path leader Abimael Guzman is serving a life sentence after he was captured on 12 September, the police reported.

Galindo's body was recovered by fellow fishermen at the wharf in the Chorrillos District in southern Lima. Jose Castillo, secretary general of the Chorrillos Fishermen Association, said this is not the first such incident. He added that three fishermen were shot while fishing close to the island in November.

In addition, the police reported that approximately 30 young people who were dancing at the Music Hall discotheque in Independencia District in northern Lima were injured on 11 December when an explosive charge, which had been planted by a woman, allegedly a member of the Tupac Amaru Revolutionary Movement [MRTA], went off.

Five of the victims, who were taken to nearby health centers, "are in serious condition," according to preliminary reports.

Also on 11 December, MRTA members threw explosive devices at the back of the Army installation at Los Barbones in El Agustino, as well as the Police casino in the center of Lima, but with no serious consequences, the source said.

Shining Path Militants Surrender After Battles

PA1312024892 Paris AFP in Spanish 0156 GMT
13 Dec 92

[Text] Lima, 12 Dec (AFP)—The Armed Forces Joint Command on 12 December issued a bulletin stating that approximately 100 Shining Path militants have surrendered in the past 48 hours as a result of "successful bloody battles" during which the Army inflicted "countless casualties" on that subversive organization.

The clashes took place in remote woody areas in the Alto Huallaga valley, approximately 750 km northeast of Lima, in a region considered very dangerous because of the presence of the Shining Path and Peruvian and Colombian drug traffickers.

The military document does not say how many casualties there were, but has reported that the soldiers seized automatic rifles, grenades, antipersonnel mines, submachine guns, and communications equipment.

The first clash took place in the evening of 10 December in the town of Tazo Grande, Huanuco Department. On 11 December there was another clash in the same department, in Nuevo San Miguel. It has been reported that on 11 December, soldiers and Shining Path militants clashed near the town of La Union, in the northeastern department of San Martin.

The bulletin concludes by stating the Army is increasing its operations "to completely eliminate terrorist criminals as soon as possible" in that Amazonian region of Peru.

Approximately 25,000 persons have died in Peru in the past 13 years, since Shining Path initiated the subversive violence in May 1980, according to official statistic reports.

Police Arrest Shining Path Suspects in Chiclayo

PA1312035692 Madrid EFE in Spanish 0412 GMT
11 Dec 92

[Text] Lima, 10 Dec (EFE)—Peruvian Anti-Terrorist Police sources reported on 10 December that 26 professionals, including attorneys, teachers, and doctors, have been arrested in the northern city of Chiclayo on charges of having links with the Maoist Shining Path.

The arrests took place in the past 48 hours in various places of Chiclayo, 780 km north of Lima. The sources

said that it is believed that the arrested persons form part of a Shining Path unit operating in the region.

The sources did not say how many doctors and teachers were arrested, but reported that a total of six attorneys were apprehended.

This is not the first time that the police have arrested people who form part of groups that provide legal support and health services to militants of the Maoist gang or teachers who defend terrorism in their schools.

Last month the government issued a law establishing life sentences for teachers found guilty of arguing for terrorism.

Alleged Coupists Report Government Pressure

PA1212045992 Madrid EFE in Spanish 2321 GMT 11 Dec 92

[Text] Lima, 11 Dec (EFE)—The 11 December edition of the daily EXPRESO reports that the officers allegedly involved in the 13 November coup attempt in Peru have said that they are being pressured and even tortured in an attempt to get them to accuse several politicians of being involved in the plot.

When Peruvian President Alberto Fujimori addressed the country on 13 November, he announced that there had been a coup attempt by retired and active officers and several civilians who intended to topple his government and murder him. As days went by, three civilians, apparently related in some way to the foiled coup d'etat, requested asylum in Costa Rica, Chile, and Argentina. Several politicians were called to testify before military judges regarding their alleged involvement in the case.

The politicians, who the government says cooperated or at least knew that a coup was being planned, had apparently been reported by the arrested officers. According to Fujimori, there are less than 25 officers under arrest.

Alberto Borea, former conservative Popular Christian Party senator and defense attorney for retired General Jaime Salinas Sedo, the alleged coup leader, is one of the people accused of being somehow involved in the coup attempt.

Borea said the officers' statements involving well-known politicians such as former President Fernando Belaunde Terry and opposition parliamentarians have been obtained by force.

Military judge General Jose Sergio Sevilla rejected Borea as Salinas' defense attorney and the case was given to another former senator, Javier Valle Riestra of the American Popular Alliance.

According to EXPRESO, the arrested officers are being charged with having formed groups to detain current government authorities or of having known that a coup was under way.

The newspaper also reported that Gen. Salinas Sedo and other alleged suspects such as retired Generals Jose Pastor Vives and Manuel and Victor Obando Salas will be questioned again on 12 December.

According to Radio Programas del Peru Network, four officers allegedly involved in the coup were confined in Lima Canto Grande penitentiary.

Transferred to Maximum Security Prison

PA1312160192 Lima Global de Television Network in Spanish 0100 GMT 13 Dec 92

[Text] In the next few hours, General Jaime Salinas Sedo will be transferred to the prison in Canto Grande. Salinas Sedo is believed to be the head of the 13 November coup attempt.

This information was provided by Javier Valle Riestra, Gen. Salinas' defense attorney. Valle Riestra presented complete proceedings documents to Government Attorney Jorge Sevilla Diaz at the Army Special Services Division.

[Begin recording] [Valle Riestra] Unfortunately, as the report indicates, Brigadier Gen. Sevilla Diaz, tearfully, though manfully, informed Gen. Salinas he would be taken to Castro Castro Maximum Security Prison.

[Unidentified reporter] Where will Gen. Salinas be held?

[Valle Riestra] I think he will be in a special cell with a small living room. The features of his cell do not matter, what matters is the location of that cell. [end recording]

This information became available only a few hours after the Supreme Council for Military Justice ordered the arrest of Peruvian Navy Rear Admiral Augusto Vargas Prada after it was established, according to reports, that he participated in the foiled coup.

A total of five persons involved in the coup attempt have been placed in the maximum security prison in the past 24 hours. There are talks about the mysterious disappearance of Alberto Borea, who failed to respond to the second summons issued by the Attorney General's Office.

Meanwhile, relatives of the military personnel involved in the foiled coup have reported that all of those arrested have already been transferred to the prison in Canto Grande. The relatives have asked the archbishop of Lima to mediate in this case.

It was learned this afternoon that all, not five, of the tried officers have already been transferred to Castro Castro Prison, most of them this evening. Those at the maximum security prison are: Hugo Ormeno, Arturo Moreno, Salvador Carmona Bernasconi, Marco Antonio Zarate, Victor and Manuel Obando Salas, Jaime Salinas Sedo, Cesar Caceres Haro, Luis Soriano Morgan, Cesar Martinez Uribe, Enrique Aguilar, and Jorge Noblecilla Merino.

Their wives reported this during their first joint meeting with the media. They protested the transfer of their husbands and appealed to human rights organizations for their support. They also asked for mediation by the archbishop of Lima who will make a decision in the next few hours.

[Begin recording] [Isabel Salinas] If there is justice in Peru, as we believe there is, this situation will be resolved soon. I trust in God. Everything is in the hands of those who direct the de facto government.

[Reporter] Do you trust everything will be resolved sooner or later?

[Isabel Salinas] Sure, of course. I trust.

[Reporter] Have you already met with Monsignor Vargas?

[Carmen Caceres] A delegation of wives met with him while I was in Caracas. The monsignor offered to help. Let us hope the help materializes. My husband has been mistreated on three occasions.

[Reporter] Have you been able to see him?

[Carmen Caceres] Yes. He had bruises on his face—on his cheek and nose, and his eyes were black. He had been hit in the eyes several days ago. He told me that because of the beatings, one of his shoulders hurt and one of his hands is constantly numb. [end recording]

Lima Citizens Polled on Reactions to Coup Attempt

PA1412043392 Lima Panamericana Television Network in Spanish 0100 GMT 14 Dec 92

[Text] What does Lima think of coups and the instigators of the 13 November coup attempt? The Apoyo poll firm found out through the poll it conducted between 4 and 6 December.

In metropolitan Lima, 500 persons were asked whether they thought subversion was justifiable in Peru. Out of every 100 persons, 78 believe it is not, 15 think it is, and seven have no opinion.

In all social-economic levels, the vast majority, no less than 75 percent, reject subversion. In levels A and B [not further specified], the opinions rejecting coups came to 86 and 83 percent respectively.

Those who said they believe in coups were asked: Why do you think subversion is justifiable? Three percent said they believed it is justifiable because of the economic crisis; 5 percent said poverty and misery; 1 percent said social injustice; 2 percent said abuses and exploitation; and 1 percent said corruption and lack of morals.

The above answers could be valid in the case of any recent government. However, some of the persons polled said it was because of the dictatorial government, referring to the current government. One percent, out of the

15 percent of those polled, gave us that answer. An even smaller percentage of persons responded that it was due to the politicians' failure. However, it reached 2 percent in level A.

We asked: What do you think of the behavior of General Salinas and the rest of the officers who tried to overthrow President Fujimori on 13 November? They are guilty of sedition and should be harshly punished, said 40 percent. Seventeen percent said the situation is unique; therefore, they should be punished lightly. Twelve percent said: They are patriots who were fulfilling their constitutional duty and should not be punished. Thirty-one percent did not answer.

Finally, while showing those polled the following names, we asked: Do you believe any of these persons knew of Gen. Salinas' plans to overthrow President Fujimori?

Maximo San Roman, 38 percent; Alan Garcia, 32 percent; Mercedes Cabanillas, 18 percent; Alberto Borea, 17 percent; Fernando Belaunde, 5 percent; and Luis Bedoya Reyes, 4 percent. Forty-nine percent did not answer.

In social-economic levels A and B, 59 and 50 percent respectively are suspicious of San Roman and Garcia.

President's Illness Reportedly Caused by Stress

PA1112205392 Madrid EFE in Spanish 1647 GMT 11 Dec 92

[Text] Lima, 11 Dec (EFE)—Peruvian President Alberto Fujimori, who on 10 December suspended an official visit to Bolivia at the last moment, is suffering from stress, the so-called "modern illness," caused by excessive work and tension, according to various sources.

Justice Minister Augusto Antoniolli reported on 11 December that doctors who attended Fujimori this week said he suffered a "functional cardiac decompensation," which prevented him from traveling to La Paz—which is 3,600 meters high—without risking more serious complications.

"The president believes he is 35 (Fujimori is 54), and as you see, he has suffered a cardiac decompensation, Antoniolli said, recalling that this week the Peruvian president visited Ayacucho, which is at an altitude of 2,500 meters.

On 11 December a specialist explained that the word "decompensation" used by the minister "is a technical term used in explaining the diagnosis to patients, but in professional and scientific language it is simply called stress."

Stress, he explained, is "a condition caused by emotional tension resulting from excessive work."

Fujimori's sudden illness postponed a trip that had created great expectation in Peru and Bolivia, as Fujimori and his Bolivian counterpart Jaime Paz Zamora were expected to sign five important agreements to

strengthen the process of economic integration between Peru and Bolivia, and against drug trafficking.

The Bolivian Foreign Ministry announced that the agreements will be signed on 12 December during a visit to Lima of Bolivian Foreign Minister Ronald MacLean.

Foreign Minister Signs Agreements With Bolivia

PA1312043892 Lima Global de Television Network in Spanish 0100 GMT 13 Dec 92

[Text] Peru and Bolivia have signed agreements to promote the development and better use of the Ilo port and free zone. The documents were signed by Foreign Minister Oscar de la Puente and Bolivian Foreign Minister Ronald MacLean.

The ceremony to sign agreements and exchange five diplomatic notes, as stipulated by the accords signed by the presidents of Peru and Bolivia in January 1992, began after a two-hour delay. The agreements are aimed at promoting better use of the Ilo port and free zone.

The agreements were signed by the foreign ministers of Peru and Bolivia, Oscar de la Puente Raygada and Ronald MacLean, respectively. Other Peruvian ministers were also present in the ceremony.

According to the first note, the Peruvian Government will provide incentives to develop Ilo port and will accept bids to grant concessions for a period of no more than 60 years.

The second note includes provisions for the transit of persons between the territories of both countries. The third note adds that the Peruvian Government will have 30 days to issue the necessary documents for Bolivian companies to implement development programs. Bolivia agrees to accept bids to select the Bolivian company for the Ilo free zone and the tourist zone at Bolivia Mar Beach.

The fourth note creates a binational organization to develop the Titicaca system, which includes (Saguadero), Popoo, Salar de Coipasa, in the Lake Titicaca basin.

Finally, the Bolivian-Peruvian Cultural Institute, based in Bolivia, was created. It will promote cultural expressions of both countries in the areas of literature, arts, and sciences.

Armed Forces To Protect Candidates' Registration

PA1212152992 Lima Panamericana Television Network in Spanish 1200 GMT 11 Dec 92

[Text] The Armed Forces have been put in charge of fully protecting the candidates who register their lists at the Provincial Electoral Board. This is to prevent the repetition of abuses, such as the one perpetrated several days ago against the Democratic Platform movement led by Michel Azcueta. Serious incidents between followers and policemen prevented the registration of Azcueta's list of

candidates. The board's president has now declared that there will be greater control.

It has also been announced that the deadline for the registration of candidates for mayor will not be extended. The deadline ends at 1800 on 15 December. So far, seven lists of candidates for the Lima provincial council and 162 lists of candidates for district mayors have been registered. Lists will then be prepared, (?discrepancies) will be settled, and credentials will be issued to the board presidents and vice presidents who will participate in the 29 January election.

Venezuela

Radio Rumbos Charged With Inciting Rebellion

PA1112153392 Madrid EFE in Spanish 1438 GMT 11 Dec 92

[Text] Caracas, 11 Dec (EFE)—"Radio Rumbos," a private radio station, has announced that the Venezuelan Government has closed the station for seven days, alleging that it incited rebellion and civil disobedience during the coup attempt on 27 November. According to "Radio Rumbos," the Council of Ministers arranged for the station to be closed as of the publication of the decision in the official gazette, possibly in its 11 December edition.

On 27 November, while the rebellion was under way, Venezuelan political police, the "Disip" [Directorate of Intelligence and Prevention Services], attempted to conduct a search at the station for the purpose of suspending its broadcasts. By order of the Interior Ministry, the station was then taken off the air for approximately 24 hours.

According to Caracas newspapers, the government believes that "Radio Rumbos" used its broadcasts to send orders to the airplanes that bombed the Miraflores Palace and a military base in Caracas during the coup attempt. "Radio Rumbos" is one of Venezuela's leading radio stations and it is a member of the Latin American Radiobroadcasting Society (Solar) along with stations in Bolivia, Colombia, Ecuador, and Peru.

On a program aired by the five-station network on the morning of 11 December, "Solar" expressed solidarity with "Radio Rumbos" and asked the Venezuelan authorities not to implement the measure.

Broadcasting Group 'Deplores' Closure

PA1212201092 Lima Radio Programas del Peru Network in Spanish 1800 GMT 11 Dec 92

[Text] The Venezuelan Government has suspended Caracas Radio Rumbos broadcasts for seven days. Radio Rumbos is part of the Latin American Radio Broadcasting Society [SOLAR] Network. The radio station was shut down for inciting rebellion and civil disobedience during the recent 27 November incidents. This was

confirmed from by Aquilano Hidalgo in Caracas who said the decision was adopted on 10 December during a cabinet council meeting.

The SOLAR Network has deplored the decision made by Carlos Andres Perez to shut down Radio Rumbos for seven days. Members of SOLAR have asked the Venezuelan Government to reconsider its decision.

[Begin Radio Rumbos recording] Only the people will be able to judge fairly, without resentment and political hatred, because the people are wise. Radio Rumbos will be off the air for seven days; one week away from its best friends, the people. [end recording]

We wish to tell you that SOLAR deplores this decision and asks the Venezuelan Government to correct this situation as soon as possible, because Radio Rumbos is a media whose sole mission is to report.

Perez Lifts Suspension

PA1412015392 Paris AFP in Spanish 0118 GMT
14 Dec 92

[Text] Caracas, 13 Dec (AFP)—On the night of 13 December, President Carlos Andres Perez gave permission for the Caracas radio station Radio Rumbos, which was suspended on 11 December, to resume broadcasting, the Transport and Communications Ministry has reported.

Radio Rumbos, widely heard throughout the country, was suspended for seven days, starting at 1800 (2200 GMT) on 11 December. Perez, however, has lifted the suspension. The radio station can resume broadcasting at 0600 [1000 GMT] on 14 December. The ministry did not explain the reasons for lifting the suspension.

According to the government, the station was suspended because it incited the people "to rebellion and civil disobedience" during the 27 November coup attempt, when the station was raided by the Directorate of Intelligence and Prevention Services, a political police organization.

On the day of the coup attempt, the ministry ordered all information to be broadcast in network, but Radio Rumbos reporters continued to work by themselves on the street. This led to the raid.

Air Force Discharges 600 Involved in Coup Attempt

PA1212130792 Madrid EFE in Spanish 1452 GMT
11 Dec 92

[Text] Caracas, 11 Dec (EFE)—A Venezuelan Air Force (FAV) spokesman confirmed on 11 December that approximately 600 soldiers had been discharged for having participated in the foiled 27 November coup d'etat.

FAV Commander General Eutimio Fuguett Borregales has given orders to discharge more than 700 soldiers, but the dismissal procedures have only been completed for 600 soldiers.

Fuguett Borregales made reference to the group of more than 40 FAV members who returned from Peru after they had fled with Gen. Francisco Visconti Osorio. He said that some of them had been tricked but had not participated in the coup attempt.

A sublieutenant, five soldiers, and 15 staff members returned to Caracas with a document, signed in front of Peruvian authorities, in which Visconti certifies that they were not responsible for the coup attempt.

The FAV Commander General added that only five percent of the FAV force participated in the second military coup attempt surmounted by President Carlos Andres Perez in 46 months of government.

Fuguett Borregales stated the FAV has "enough intelligence information to determine who did and did not participate in the 27 November foiled coup."

Coup Suspect Bravo Transferred to San Carlos

PA1212181992 Caracas Venezolana de Television
Network in Spanish 2350 GMT 11 Dec 92

[Text] Douglas Bravo, who was arrested by the Directorate of Intelligence and Prevention Services [DISIP] on 10 December for his alleged participation in the 27 November uprising, has been transferred to the San Carlos garrison.

Bravo was arrested at an apartment in Manzanares, Alto Prado. The police confiscated documents and records of meetings that link him with the 27 November coup attempt. Maricruz Mendoza Rivero and Jose Manuel Pinto Diaz, who own the apartment, were also arrested.

Bravo was requested to appear before the Military Court, whose members were sworn in on 4 December.

[Begin recording] [DISIP Commander Gabriel Callejon] Several intelligence operations were carried out throughout the country, but with particular attention to Caracas, Maracay, and Valencia. Bravo was captured in Caracas.

[Reporter] What was seized during his arrest?

[Callejon] We seized documents that will aid in our investigation of the 27 November events. [end recording]

Perez Views Election as Reaffirmation of Democracy

PA1112205492 Caracas Venezolana de Television
Network in Spanish 2350 GMT 10 Dec 92

[Report by Milagros Rodriguez]

[Text] President Carlos Andres Perez on 10 December stated that the Democratic Action [AD] party should feel quite satisfied with the reaffirmation of democracy evidenced by Venezuelans in the 6 December elections.

The president did not wish to comment on the internal situation of AD. He said that as chief of state, he is compelled to maintain a stand above those differences that follow an election setback. He said, however, that the 6 December elections will make all political organizations reconsider their position in light of national reality.

[Begin recording] [Perez] My position as chief of state compels me to maintain a position above those differences that follow an election setback. The elections were not entirely satisfactory for the party, but I think AD should be very pleased with the reaffirmation of democracy evidenced by Venezuelans.

[Unidentified reporter] Do you think this will help your party or the other parties to avert further political damage?

[Perez] I am certain these elections will serve as a basis for political organizations to reconsider their position in light of national reality. [end recording]

The president availed himself of the opportunity to announce that the two constitutional guarantees that are suspended will be restored in the coming days.

CSE Chief on Vote Count Problems in Barinas State

PA1312040992 Caracas Venezolana de Television Network in Spanish 0000 GMT 13 Dec 92

[Text] Following the failure by the commissions appointed by the Supreme Electoral Council [CSE] to resolve the problem that arose in Barinas State, the CSE reaffirmed its original stance of letting the state's electoral municipal board make the final decision on the matter. Here is a report by Jose Marciano.

[Begin recording] [Marciano] According to CSE sources, the problem regarding the total count of the tally sheets in Barinas arises from the different interpretations of the results by Democratic Action [AD] and the Social Christian Party [Copei]. In view of this situation, the CSE appointed task forces comprising an equal number of representatives from the different political parties. The official results in Barinas have not yet been announced—six days after the 6 December elections. The committees appointed by the CSE were also unable to reach a decision. In view of this situation the CSE reaffirmed the counting process is totally decentralized, and it will be up to the Barinas electoral board to decide.

[CSE President Isidro Morales Paul] The final decision adopted by this corps is that the appropriate entities must independently reach a decision based on the law.

[Marciano] Does this mean that Barinas' municipal electoral board is in charge of the total count, as well as of all the other related matters, to then proclaim a

[Morales, interrupting] Absolutely.

[Marciano] When can the people of Barinas expect to know who won, as they are experiencing a great deal of uncertainty?

[Morales] That matter is in the hands of the municipal electoral board. We instructed it to immediately make the decisions it deems appropriate.

[Marciano] How many tally sheets remain to be counted?

[Morales] There were 58 tally sheets under discussion. The municipal board members may make the decision it deems appropriate in an autonomous manner.

[Marciano] Does this mean the municipal electoral board may soon announce who the winner is?

[Morales] We hope so, but this depends on Barinas' municipal electoral board.

[Marciano] The CSE president urged Sucre State's municipal electoral board to proclaim the winning candidate to avoid problems in the electoral process in that state. Commenting on suits challenging the results or requests for revisions, he said they must be filed before the appropriate agencies here in Caracas. The challenges are filed before the Supreme Court of Justice, and the revisions are requested at the CSE main headquarters. [end recording]

Guyana

President Jagan on Visit to United States

FL1112185092 Bridgetown CANA in English 1615 GMT 11 Dec 92

[By Ric Mentus]

[Text] Georgetown, Guyana, Dec 10, CANA—President Dr Cheddi Jagan on Thursday expressed satisfaction with the results of his just-concluded economic mission to the United States of America, saying his team "got the impression the people we spoke to were happy with our presentations."

In an interview with CANA, Dr Jagan described the mission to Miami and Atlanta as "quite successful" in the sense that Guyana was given high-profile treatment throughout.

He said the Miami conference dealt mainly with investment and trade possibilities with the Guyana team outlining the government's position on foreign investment and what incentives were in place for such efforts.

At the Carter Centre in Atlanta, President Jagan said, discussions concentrated on the problems facing developed and developing countries and the need to look at

systems to coordinate efforts and strengthen partnerships to solve these problems.

The next step, the president said, was a possible visit to Guyana from interested investors to see for themselves what proposals the team had made, while it was expected that the Carter Centre will also send a task force to Guyana to see what was going on and in what way it could help.

Dr Jagan said his team put all the country's problems on the discussion table, the biggest one being the external debt of US\$1.9 billion dollars.

"Debt," Dr Jagan said, "is a big incubus in Third World countries generally, but in Guyana it is a colossally big problem, because the debt overhanging impedes human development.

"As a result, we are asking for debt cancellation or write-offs, long term rescheduling, soft loans and grants. Due to the debt overhang, only eight percent of the national budget can be allocated to social services, and that is totally inadequate."

He said an eight-nation Guyana support group of aid donors is expected to meet early in the new year to consider these issues and try to find a solution.

Dr Jagan's team, which included Finance Minister Asgar Ally and private sector chairman Yesu Persaud, presented to the Atlanta conference, a document entitled "From Crisis to Sustainable Development and Democracy in Guyana" which listed 128 projects and called for total financing to the tune of US\$612 million dollars.

The document gave as the government's main priorities - debt relief, strengthening public and private sector management, bolstering health, education and community services, rehabilitating physical infrastructure and diversifying the economy.

By the end of his government's first year in office, Dr Jagan said he would like to have:

- "A reduction in the cost of living of the people so that they can buy more goods and services than they did before;

- Involvement of the people "in a participatory democracy at every level; and

- Complete political, economic and social freedom.

On regional issues, Dr Jagan said his government would soon start looking at inter-Caribbean community trade more seriously, because he felt "so far, nothing tangible has been done to increase regional trade."

He was hoping to begin bilateral discussions with each Caricom government to examine in concrete terms what was being imported in the region and what could be done in terms of joint production of certain items.

He cited the case of Guyana's pharmaceutical plant which he said could easily supply the entire region with generic drugs at a cheaper rate than was being paid for imports.

President Jagan said he had discussed with Prime Minister Patrick Manning of Trinidad and Tobago the resuscitation of the mid-1970s idea of an aluminium smelter based in Trinidad and supplied with alumina from Guyana and Jamaica.

He said he did not know why the idea was abandoned, "but if we want to make Caricom meaningful, that is the kind of thing we need to do."

He suggested that an inter-governmental committee could be set up to study the issue and consider bringing in Haiti, the Dominican Republic and Suriname, all bauxite producers in the region.

On the Manning initiative for closer ties among Guyana, Trinidad and Tobago and Barbados, Dr Jagan said the agreement reached was that "at the moment it should be restricted to the economic phase of co-operation, plus sports and cultural activities, rather than political."

What had to be done next, he said, was the setting up of joint committees to discuss all the issues involved in such an initiative.

On Haiti, where Caribbean Community governments have been calling for reinstatement of ousted President Jean Bertrand Aristide, Jagan said solidarity with Aristide was very important.

"Caribbean leaders have to take every opportunity to speak up much more strongly than they have done in the past at every forum, the Organisation of American States and the UN (United Nations)." But he admitted that the Haitian situation was "complicated."